FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 136 16 July 1986

ARGENTINA

Alfonsin Visits Australia, New Zealand [cross-reference] B 1
Chile, U.K. 'Build Up Forces' on Border B 1
[BUENOS AIRES HERALD 15 Jul]
Two Fishing Agreements Signed With Japan B 1
Armed Forces Supreme Council Appoints New Head B 1
Army's Budget Situation 'Poses Problems' B 2
Briefs: Merchant Marine Secretariat Created B 2

BOLIVIA

'Smoke Screen' Surrounds Use of U.S. Helicopters C 1
President Invited To Visit PRC in August C 1
Senate President Reports on Tour of PRC C 1
[EL DIARIO 5 Jul]
Briefs: Cuban Scholarships Offered C 2

BRAZIL

Minister Favors Closing Informatics Secretariat D 1
[O ESTADO DE SAO PAULO 11 Jul]
Chemical-Pharmaceutical Protection Policy Denied D 2
[O GLOBO 11 Jul]
Briefs: Balance of Payments Surplus; Increase in Agricultural Production; Cocaine Seized, Traffickers Arrested D 2

CHILE

Reaction to Statements About U.S. Ambassador E 1
Admiral Merino on Country's Political Stability E 1
Foreign Minister Calls Most Countries 'Enemies' E 2
Nationalist Leader Possible Pinochet Successor E 3
Seguel, 10 Union Leaders Get 61-Day Sentences E 4
Suspect Arrested in Pinochet Tomb Vandalism E 4
Briefs: Civil Defense Director; Drug Traffickers Arrested E 4

PARAGUAY

Montanaro: Radio Charitas Director's Ouster Final H 1
[ULTIMA HORA 14 Jul]

PERU

Award Ceremony Postponed by Senator's Illness J 1
Police Arrest 16 Shining Path Members, Find Arms J 1
3 Banco de Credito Offices Bombed in Lima J 1
Patrol Kills 9 Guerrillas, Destroys 3 Camps J 1

URUGUAY

Secret Document on Military Spying Alleged K 1
[LA HORA 3 Jul]

MEXICO

Petricioli Returns Without Formal IMF Agreement M 1
Government Approves GATT Membership Document M 1
CTM Secretary Comments on Economy at Meeting M 2
De la Madrid Speaks M 2
PAN Members Block Bridge on Border With U.S. M 3
Editorial Says PRI Must Restore Credibilty M 3
[UNOMASUNO 9 Jul]
Chihuahua Catholic Church Protests 'Fraud' M 4
Church Accused of Supporting Opposition M 5
[EL DIA 11 Jul]
Briefs: Bolivians Arrested for Smuggling; Navy Antinarcotics Campaign; Cocaine Seized M 7

PANAMA

Students, Defense Forces Clash in Colon N 1
U.S., Soviet Roles in Nicaragua Reviewed N 1
[LA ESTRELLA DE PANAMA 14 Jul]

CENTRAL AMERICA

COSTA RICA

Trade Suspended With Guatemala 14 July P 1

EL SALVADOR

Duarte Says Nothing New in FDR-FMLN Proposal P 1
FDR's Ungo on Dialogue vs. Political Agenda P 2

GUATEMALA

Cerezo Appoints New National Police Director P 4

HONDURAS

Azcona Says Country Not Preparing for War P 5
Msgr Vega Declines Return on Sandinist Terms P 5
Briefs: Ambassadorial Appointments P 5

NICARAGUA

Humberto Ortega Awards Military Promotions P 6
Borge Comments on U.S. Plans, Msgr Vega P 10
GATT Panel Meets To Discuss Managua Demands P 13
Youth Delegations Arrive for Managua Meeting P 14

CUBA

Raul Castro Receives Karl Roloff Brigade Q 1
Malmierca, CSSR Foreign Minister Discuss Relations Q 1
ICAP President Meets With Panamanian Official Q 1
ANPP Official To Attend Meeting in Bolivia Q 1
Risquet Meets With Greek Socialist Delegation Q 1
U.S. Reinforcing Presence in Central America Q 2
CIA To Experience 'Bright Future' Under Reagan Q 3
'Our America' on Situation in Chile, U.S. Stance Q 4

CARIBBEAN

BARBADOS

Government Announces Tax Concessions S 1

HAITI

Former Police Chief Desyr Sentenced to Death S 2

JAMAICA

Seaga, Manley Issue Statement Urging Nonviolence S 2
Central Bank Reports Economic Improvement S 3

ALFONSIN VISITS AUSTRALIA, NEW ZEALAND

For reportage on the 11 and 12 July visit of President Rual Alfonsin to New Zealand and Australia, see the 16 July Asia and Pacific DAILY REPORT.

CHILE, U.K. 'BUILD UP FORCES' ON BORDER

PY160219 Buenos Aires BUENOS AIRES HERALD in English 15 Jul 86 p 11

[Text] Bahia Blanca (DYN) -- The conservative daily LA NUEVA PROVINCIA said yesterday that the Chilean port of Punta Arenas has become the main jumping-off point for British supplies to the Malvinas, and that the Chilean and British military had developed a "broad and progressive strategy" to build up forces along the Argentine border near the port on the Straits of Magellan. Citing "legislative sources" in Buenos Aires, the newspaper said Defense Minister Horacio Jaunarena made the revelations about Chilean-British military cooperation at his testimony before the Senate on July 3. The newspaper said Jaunarena told the senators that British arms exported to Chile are among the most sophisticated in Latin America.

TWO FISHING AGREEMENTS SIGNED WITH JAPAN

PY160137 Buenos Aires NOTICIAA ARGENTINAS in Spanish 1530 GMT 15 Jul 86

[By special NOTICIAS ARGENTINAS correspondent]

[Text] Tokyo, 15 Jul (NA) -- Argentina and Japan signed two agreements on fishing, research and exploitation of the Argentine coastal sea areas during President Rual Alfonsin's 4-day official visit to Japan. The information was released tonight in the Akasaka Palace by Argentine Fishing Secretary Luis Jaime, who said that "two fishing agreements were signed with Japan during the conversations."

Jaime specified that one of them is related to Japanese financing of research for deep-sea fishing in the area off the Argentine coast, while the other relates to the cooperation among businessmen from the two countries in the fishing exploitation of that area.

He said that the Japanese fishery executives signed an agreement to invest in the enlargement of the fishing docks of Puerto Deseado, in what they consider "a nonreimbursable investment."

The officials also said that in the second half of August Japan will send a mission to analyze technical aspects of those projects and to determine the amount of the investment, which is estimated to be approximately 5 million.

Jaime added that the research agreement says that Japan will finance the studies and Argentina will provide a ship and nine scientists.

ARMED FORCES SUPREME COUNCIL APPOINTS NEW HEAD

PY152240 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1910 GMT 14 Jul 86

[Excerpts] Buenos Aires, 14 Jul (NA) -- The Defense Ministry today reported that Brigadier Carlos Mario Echeverria Martinez, retired, has been appointed to the Armed Forces Supreme Council. He will replace Brigadier Pablo Apella, retired, who tendered his resignation as president of this military court.

It was also confirmed that Auditor Brigadier Armando Inrungaray, retired, will become court prosecutor, replacing retired Brigadier Hector Canale, who died recently.

ARMY'S BUDGET SITUATION 'POSES PROBLEMS'

PY151429 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1358 GMT 14 Jul 86

[Text] Buenos Aires, 14 Jul (NA)-- A report which is in the hands of Defense Minister Horacio Jaunarena states that "for the first time in history the number of professional Army personnel surpasses the number of enlisted troops," and that currently "officers, noncommissioned officers, and women personnel total 28,000, while there are only 25,000 conscripts." The report also states that "other technical calcuations place the Army's military power at the unfavorable rate of 1 to 5 if compared with Brazil and 1 to 3 with Chile."

This data is contained in an article signed by Carlos Tortora which appears today in the newspaper AMBITO FINANCIERO. It states that "the government's plan continues to focus on reintegrating the Armed Forces into the democratic system," but says that it has been "proven that the worseniong of the Army's budgetary situation poses problems that are more pressing than structural reforms."

The article states that "for budgetary reasons the Army will reportedly soon order the discharge of some of this year's draftees, which has occurred for the past 2 years."

It is noted that since 1983 total Army personnel -- officers and noncommissioned officers -- "has decreased by 35 percent, a situation to which petitions for retirment and discharge for economic reasons have contributed decidedly."

The article states that the "situation is even worse in the military schools," noting that in 1985 about 250 students entered the Sargento Cabral noncommissioned Officers School, but this year that figure abruptly dropped to 40."

The article states that "another aggravating factor is that until 1985 the Army facilitated the transportation of the students enrolled in the noncommissioned officers school, "most of whom came from the interior. Fares are no longer paid, and this is reportedly reducing the number of enrollments."

The article states that "Logistics Chief General Julian Perez Dorrego has ordered that large quantities of Army equipment -- in some cases up to 80 percent -- be stored in warehouses because it is impossible to maintain all the equipment currently in use.

The article concludes by stating that Gen Perez Dorrego's decision "has reportedly caused much discussion among military leaders and that there is criticism that "because of this the training of personnel will be seriously reduced and a large proportion of the budget will have to be allocated to preventing the stored equipment from deteriorating."

BRIEFS

MERCHANT MARINE SECRETARIAT CREATED -- Buenos Aires, 7 Jul (TELAM) -- The Under Secretariat for River and Maritime Transport has been reorganized. It will now be called the Merchant Marine Secretariat [Secretaria de Marina Mercante] and it will be under the Public Works Ministry. Pedro Casado Bianco, the current president of the Argentine Shipping Lines, has been appointed new merchant marine secretary. [summary] [Buenos Aires TELAM in Spanish 0145 GMT 8 Jul 86 PY]

'SMOKE SCREEN' SURROUNDS USE OF U.S. HELICOPTERS

PY151839 La Paz La Red Panamericana in Spanish 1700 GMT 15 Jul 86

[Relay from Santa Cruz]

[Text] Military officials in Santa Cruz would not comment on the landing of a U.S. Galaxy airplane which Radio Panamericana reported yesterday. At 1400 six helicopters were unloaded from the Galaxy. According to comments heard at the Viru Viru Airport, the helicopters may be used in the struggle against drug trafficking. The commander of the 3d Air Brigade, General Jaime Zegada, told Radio Panamericana that he knows nothing about the destination of the six helicopters unloaded from the Galaxy. He added that it may be necessary to ask the Air Force or the National Defense Ministry in La Paz, because here in Santa Cruz, he does not know anything about it.

There was also some speculation this morning at the Viru Viru Airport that two helicopters may remain in Santa Cruz, two may go to Cochambamba, and the remaining two may be sent to another region in eastern Bolivia. The fact is that there seems to be some kind of smoke screen concerning the destination of the six helicopters that were unloaded from the Galaxy yesterday. The people of Santa Cruz are requesting an explanation from Defense Ministry officials.

PRESIDENT INVITED TO VISIT PRC IN AUGUST

PY151842 La Paz La Red Panamericana in Spanish 1700 GMT 15 Jul 86

[Text] President Victor Paz Estenssoro has been invited by the PRC premier to visit China in August. This report, which was provided by official sources of the PRC Embassy in Bolivia, states that the invitation was made in view of the good image created by Bolivia in the world and the international recognition of its president.

It is not known if President Paz Estenssoro will accept the PRC invitation. If the invitation is accepted, the president will travel in August. Bolivia established diplomatic relations with the PRC during the last months of the Popular and Democratic Unity regime.

SENATE PRESIDENT REPORTS ON TOUR OF PRC

PY151314 La Paz EL DIARIO in Spanish 5 Jul 86 p 3

[Text] Senate President Oscar Zamora has reported on the official visit he made with a delegation of Bolivian senators to the PRC. He said that the PRC is interested in conducting joint projects with President Victor Paz Estenssoro's administration to use the iron extracted from El Mutun mine and for the installation of a small steel mill in Santa Cruz Department.

A group of 10 Bolivian senators from various political parties travelled to the PRC at the invitation of the National People's Congress [NPC], Zamora said, adding that the senators learned that the two countries agree on such important principles as the peoples' right to self-determination, the defense of their sovereignty, and the ability to undertake joint and coordinated projects to make use of natural resources and process raw materials.

Zamora said that the PRC Government is willing to consider with Bolivian authorities the use of iron from the El Mutun mine and the installation of a small steel mill in Santa Cruz Department. These projects will be paid for with manufactured products that will be exported to the PRC.

He also said that the PRC leaders and representatives expressed their understanding and solidarity with Bolivia's landlocked situation and that they will support Bolivia in international forums to find a proper and feasible solution to this problem.

Zamora, who is Senate president and leader of the Revolutionary Front of the Left [FRI], said that there are very favorable conditions for the establishment of a broad program of exchange and cooperation between Bolivia and the PRC, and he added that the government should intensify negotiations to enable the joint commissions of the two countries to meet as soon as possible to try to accurately identify all the projects that can be conducted together.

He said that Bolivia can learn from the experience and technology developed by the PRC in the installation of small and middle-sized basic industries as a way to overcome backwardness and to process Bolivian raw materials through public or joint venture companies.

The senators who toured the PRC were able to verify the PRC Government's and people's "great political will" to understand and cooperate with Bolivia, Zamora said, especially to promote intensive cooperation and exchange programs among Third World countries to promote development without aggravating the foreign debt problem "which is causing our peoples so much concern."

Finally, Senator Zamora announced that an important delegatin of NPC representatives will visit Bolivia soon to try to further unite the two countries. He said that at the end of the senators' tour to the PRC, they drew up a document known as the "Bejing Declaration," which identifies the points on which the two countries agree and expresses the will to intensify exchange, assistance, and cooperation ties.

BRIEFS

CUBAN SCHOLARSHIPS OFFERED -- The Planning and Coordination Ministry has reported that the Cuban Government has offered scholarships to Bolivian students from 15 to 20 years of age. The scholarships are in the fields of X-ray and laboratory technology, labor economy, and physical education and are for 3 years. Airplane fare will have to be paid by the students. [Excerpt] [La Paz La Red Panamericana in Spanish 1130 GMT 12 Jul 86 PY]

MINISTER FAVORS CLOSING INFORMATICS SECRETARIAT

PY151948 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jul 86 p 25

[Text] The suggestion by Communications Minister Carlos Magalhaes that the Special Secretariat of Informatics [SEI] be closed and that its functions be dealt with by the National Council of Informatics and Automation [Conselho Nacional de Informatica e Automacao -- CONIN] with the participation of all Brazilian ministries, society, commerce, industry, and professional representatives, could not be more sensible and timely. Magalhaes has clearly explained the basic problem that today affects the national informatics industry: The cause is the SEI itself, a small organization left over from the old regime's information services, together with a few dozen ideologically stagnant public servants, who have taken control of the national informatics policy.

According to Congress, the informatics policy should be outlined by CONIN, but this is not happening. The science and technology minister, Renato Archer, who unexplainably was entrusted with the informatics policy, has reacted by saying that the SEI in itself is the Brazilian Informatics Law. This statement alone demonstrates exactly how the minister interprets his messianic mission: that he and only he can implement the whole national informatics policy!

Then why has Congress created the CONIN? Renato Archer believes that the CONIN is an outmoded agency. He even managed to suppress it. First, he violated the spirit of Congress' law by transferring the informatics policy from the sphere of the Presidency to his own ministry. Then, simultaneously he simply terminated the CONIN meetings, a thing that angers Minister Carlos Magalhaes. Why did he end those meetings which at most are held two or three times a year? Simply because during the first few meetings several ministers, such as the industry and commerce, and communications ministers, as well as industry sector representative Eugenio Staub, dared to speak, to make proposals, and to try to improve the informatics policy. Since Renato Archer believes that the informatics policy is the SEI and that the SEI is the informatics policy, it was better to silence the CONIN.

This is what the ministers do not like. They are aware that a single unprepared secretariat cannot maintain total control over such a broad field which surpasses greatly the simple limits of informatics. This concept actually includes the whole of the national industry, as stated in the law. That is what Minister Magalhaes is protesting against: The industrial policy of the country cannot be concentrated in the hands of 60 or 70 ideologically stagnant public servants whose opinion is above that of everyone else, even the president of the republic himself.

The CONIN must implement the national informatics law, not the SEI. Contrary to what Archer says, informatics is not the SEI, informatics is the CONIN , it is the Science and Technology Ministry, the Industry and Commerce Ministry, and the Communications Ministry. The CONIN is therefore all the economic ministries directly affected by any authoritative and isolated decision made by SEI officials.

CHEMICAL-PHARMACEUTICAL PROTECTION POLICY DENIED

PY141710 Rio de Janeiro O GLOBO in Portuguese 11 Jul 86 p 25

[Text] "There has never been any talk about protectionist policies for the chemical-pharmaceutical industry. There is no protectionism, and the government has not thought of creating protectionist policies for that sector." This statement was made yesteday by Industry and Commerce Minister Jose Hugo Castelo Branco, answering press reports that the government is thinking of creating protectionist policies for the chemical-pharmaceutical industry.

The minister added that a protectionist policy for that sector would be extremely harmful because it would hinder new investments. Castelo Branco pointed out that the CDI (Industrial Development Council) is going to study the projects of that sector to prevent the effects of predatory competition and to insure "for national and foreign companies" the appropriate conditions to operate in the Brazilian market.

Despite the intention to give preference to national projects, Castelo Branco emphasized that the government does not plan to prevent the formation of association between national and foreign companies in that sector. He believes that the decree prepared by the Ministries of Finance, Planning, Industry and Commerce, Science and Technology, Health, and Agriculture clearly states that the government does not plan to create protectionist policies "because it does not want to restrict the participation of multinational capital."

BRIEFS

BALANCE OF PAYMENTS, SURPLUS -- The balance of payments has recorded a surplus of more than $6 billion from January to June. CACEX [Foreign Trade Department] Chief Roberto Mendes has estimated that the June balance of payment surplus will be approximately $1 billion. This means that the balance of payment surplus for the first half of the year will surpass $6 billion. [Excerpt] [Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 86 PY]

INCREASE IN AGRICULTURAL PRODUCTION -- The Production Financing Company expects a grain crop of 52.4 million tons for this year, 37 million tons of which will be in cereals. Meanwhile, Agriculture Minister Iris Resende says that next year's production will be 10 to 15 percent larger than that of 1986. [Text] [Brasilia Radio Nacional de Amazonia Network in Portuguese 1000 GMT 12 Jul 86 PY]

COCAINE SEIZED, TRAFFICKERS ARRESTED -- The Federal Police on 4 July announced that in the past few days they discovered two small cocaine processing plants, seized 15.5 kg of pure cocaine, and arrested drug traffickers Roberto Rodrigos, 38, Mauro Jose Bastos Farias, 28, Carlos Alberto Ferreira Guimaraes, Jorge Luiz dos Santos, and Esmeraldino Manoel de Araujo. The arrests and seizures took place in Rio de Janeiro, Rio Comprido, and Nova Iguacu. So far this year the Federal Police have seized 182.5 kg of pure cocaine and arrested 18 traffickers in Rio de Janeiro. [Summary] [Rio de Janeiro O GLOBO in Portuguese 5 Jul 86 p 14 PY]

REACTION TO STATEMENTS ABOUT U.S. AMBASSADOR

PY152325 [Editorial Report] Santiago Radio Chilena in Spanish at 1700 GMT on 15 July 1986 reports that former Chilean Ambassador to the United States Jose Miguel Barros wondered whether "Admiral Merino, in making such statements about U.S. Ambassador Barnes, conveys the thoughts of the president of the Republic who, within the constitutional framework, is the only one with the authority to make statements on this issue. Does the Chilean Government really want the U.S. Government to replace its ambassador? And if so, has it thought about the political consequences of such a decision? He added that if the wish really is to have Barnes replaced, someone should inform the government that diplomacy has more appropriate methods. Barros noted that the consequences of recent mistakes and improvisations of the Chilean Government will begin to be felt before the end of the year. He termed Merino's statemetnts as "imprudent, in appropriate and unfortuante, and voiced his surprise that Foreign Minister Jaime del Valle had not commented on the remarks. However, shortly after Barros' comments, Jaime del Valle stated that "90 percent of the countries of the world are Chile's enemies." Former Senator Fernando Maturana, leader of the National Union Movement, MUN, said that Admiral Toribio Mevino's statement that if it wanted to be well-informed, the United States should replace its ambassador in Chile, has caused surprise, to say the least."

Former Justice Minister Monica Madariaga stated that Marino's request for the replacement of the ambassador of "the first power in the world, from my point of view, represents a lack of respect." She believes that mutual respect among human beings has been lost in Chile. "I believe that when high-ranking Chilean authorities lost this respect for their own nation and the entire world, they lost respect for themselves, and as a consequence they are not in a position to demand any specific type of behavior from the country they intend to rule." In a relay from La Moneda Palace it is reported that "U.S. Ambassador Harry Barnes disclused that he will hold a meeting with Admiral Toribio Merino. However, the ambassador did not disclose the time or the site." The ambassador made these statements after accompanying U.S. Deputy Assistant Secretary for Inter-American Affairs, Robert Gelbard, to a meeting with Sergio Valenzuela, minister secretary of the presidency.

ADMIRAL MERINO ON COUNTRY'S POLITICAL STABILITY

PY160326 Santiago Radio Chilena in Spanish 2300 GMT 15 Jul 86

[Text] Admiral Jose Toribio Merino Castro has affirmed that the Government Junta will abide by the 1980 Constitution regarding presidential succession. Asked whether the Navy would support General Pincohet if he should present himself as candidate in 1989, the Navy Commander in Chief replied that the date is still far off.

[Begin recording] [Reporter] Admiral, what is your opinion of the statement by President Pinochet regarding prolongiing his government until 1987?

[Merino] j I have not said anything, nor will I say anything. Pinochet has the right to say what he wants.

[Reporter] What is the Junta position regarding the government's projection pat 1989?

[Merino] Its position is to abide by the Constitution and nothing else. We have a Constitution, but unfortunately it has not been read.

[Reporter] Are you referring its provisions for 1989?

[Merino] I am referring to the political idea, not to men. This idea is the best we have at this moment and it seems that it will be the best we will have in the future, because the country is growing. There is job stability. It is just that a bunch of crazy people are trying to tear down the system, but this does not mean that the country does not have any political stability. There is more stability now than ever before.

[Reporter] And the man who will continue the process?

[Merino] The man can be anyone. He can be a man chosen from the streets, who at this time has no idea that he might be the one.

[Reporter] What do you think of Federico Willoughby as a candidate?

[Merino] I do ot know him. [end recording]

The admiral was then asked if he supports his statement that if the U.S. State Department replaced the ambassador Harry Barnes, it would be better informed.

[Begin recording] [Merino] I said it and I will not repeat it. Today, I will talk with the U.S. ambassador and..[recording cut off]

[Reporter] Admiral, do you believe that the U.S. State Department has no accurate information about what is happening or about the political process unfolding in our country?

[Merino] I would not say that it does not have accurate information, but it has information that is misinterpreted because of a difference in criterion. They are Anglo-Saxons, and we are Latins. They see things one way, and we see things another way. Since I have twice gone to the United States to talk about these questions, I can say that we have to explain to them our viewpoints and objectives. We have to repeat to them that we are an independent and soverign country conducting its affairs within the laws and the Constitution. As long as we act this way, we have to tell them that we do not accept being told what to do. [end recording]

On a different subject, Adm Merino was asked whether it was true that the Navy had prevented an internal coup some months ago, as the press has reported. Merinc replied that such a story is nothing but an absolute lie. The admiral said that he was sick in bed at the time and did not know anything.

After talking with the journalists, Adm Merino met with U.S. Ambassador Harry Barnes in private at the Diego Portales Building.

FOREIGN MINISTER CALLS MOST COUNTRIES 'ENEMIES'

PY152330 Santiago Radio Chilena in Spanish 1700 GMT 15 Jul 86

[Text] Foreign Minister Jaime Del Valle has stated that 90 percent of the world's countries are enemies of Chile and spread lies about Chile in every possible way. He also said that there is a large number of Chilean citizens who roam the world to bring discredit upon the government and ultimately the country.

Foreign Minister Del Valle participated this morning in a breakfast meeting of the Chilean-FRG Chamber of Commerce and Industry that was held at the Sheraton Hotel. The meeting was also attended by the Chilean ambassador to the FRG, Vasco Undurraga, and representatives of the German diplomatic corps.

[Begin Del Valle recording] Our country now has 90 percent of the world's countries as enemies. I do not say unfriendly, but enemies of Chile. These countries spread all kinds of lies about our country, and a large number of Chilean citizens roam the world to discredit the government and the country. Despite all this, we will forge ahead, because our country deserves enough confidence to invest here. At least it deserves much more confidence than other countries where investments are being made. I have nothing against anyone, and this is not the place or time to criticize any friendly and brotherly country. I can proudly say that the conditions existing in this country more than justify the confidence that many investors have or should have in this nation. [end recording]

Jaime Del Valle noted that the government's efforts are hindered abroad by the campaign being developed by sectors that are intent on distorting the real image of Chile, as happened on 2-3 July. He said that what happened on those days does not reflect the real Chile, which is busy working and producing. This he added, should be kept in mind by those who want to invest in Chile. In conclusion, the minister pointed out that trade between Chile and the FRG increased 6.4 percent in the January-March period, compared with same period last year, although this trade is still below the historic levels of 1980.

NATIONALIST LEADER POSSIBLE PINOCHET SUCCESSOR

PA152217 Paris AFP in Spanish 2247 GMT 14 Jul 86

[Excerpts] Santiago, 14 Jul (AFP) -- Today Chilean nationalist leader Federico Willoughby, who was one of the first collaborators of the government junta that took power in Chile 13 years ago, submitted his name as a possible presidential condidate to succeed General Augusto Pinochet.

After handing a formal presentation to the chief of the Armed Forces and to the director of the Carabineros militarized police, Willoughby said: "I have proposed my name just like any other Chilean, civilian, or uniformed."

These officials must designate Pinochet's successor or propose Pinochet himself for a new 8-year term of office which would begin in 1989, but that designation must be ratified or rejected by Chileans in a plebiscite, according to the Constitution proclaimed by the military government.

Willoughby, founder of the National Action Movement and former government junta press secretary, announced his initiative after Pinochet confirmed on Friday his intention to continue his regime until 1997. This was considered in political circles as a virtual proclamation of Pinochet's candidacy to continue in the presidency. [passage omitted]

In opposition circles the Christian Democrats said today that Gen Pinochet had tried to avoid "the exodus of his dwindling followers" by announcing his intention to "perpetuate himself in power."

Radical leader Enrique Silva Cimma, president of the Democratic Alliance, said that this party coalition rejects the 1989 plebiscite "as it is not democratic because the name of a future president is be proposed by four generals who depend on Gen Pinochet."

SEGUEL, 10 UNION LEADERS GET 61-DAY SENTENCES

PY151510 Madrid EFE in Spanish 0209 GMT 15 Jul 86

[Text] Santiago, Chile 14 Jul (EFE) -- CNT [National Workers Command] President Rodolfo Seguel and 10 other opposition leaders today were sentenced to 61 days in prison by a court for their participation in a day of protest against the government late last year.

The sentence was issued by Judge Sergio Valenzuela Patino, who found them quilty of violating the state security law which prohibits the calling of social mobilizations against the military regime. Among those sentenced were CNT Vice President Manuel Bustos, who is also president of the National Union Coordinating Board and Jorge Pavex, president of the Trade Union Association of Chilean Teachers (AGECH).

Eight of these who were sentenced will have their sentence suspended they will not go to prison -- because this is their first offense. Union leaders Manuel Bustos and Mario Araneda will have to serve their sentences at night (they will be free during the day), because they have been previously sentenced by government order.

SUSPECT ARRESTED IN PINOCHET TOMB VANDALISM

PY151325 Madrid EFE in Spanish 0059 GMT 15 Jul 86

[Excerpt] Santiago, 14 Jul (EFE) -- It was officially reported today in Santiago that Chilean security services have arrested one of the perpetrators of the damage caused to the mausoleum of the family of the chief of the military government, General Augusto Pinochet.

According to National Intelligence Center (CNI), the perpetrator is Marco Antonio Rivera, 23, a married Chilean businessman, and the father of children. Rivera lives in the suburban Conchali district and is a mamber of the proscribed Communist Youth.

According to the same source, Gen Pinochet, in a humanitarian gesture, has decided not to take legal action, and Marco Antonio Rivera will be set free within the next few hours. [passage omitted]

BRIEFS

CIVIL DEFENSE DIRECTOR -- Brigadier General Luis Mujica Collados has been sworn in as Civil Defense director, replacing Colonel Diego Grez, who has resigned. Gen Mujica will head an organization of nearly 45,000 volunteers, who are to aid the community in times of emergencies such as earthquakes or heavy storms. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 12 Jul 86 PY]

DURG TRAFFICKERS ARRESTED -- Chilean police have arrested Maria Betty Ahumada and Sixto Toledo, confiscating 1.05 kg of highly pure cocaine hydrochloride in their possession. The drug had been bought in Chapare, Bolivia, by Ahumada a few days ago and brought to Santiago via Arica. It was about to be distributed among drug addicts in Santiago by Ahumada and Toledo. [Santiago Domestic Service in Spanish 1700 GMT 5 Jul 86 PY]

MONTANARO: RADIO CHARITAS DIRECTOR'S OUSTER FINAL

PY150214 Asuncion ULTIMA HORA in Spanish 14 Jul 86 P 9

[Text] "The decision against allowing Father Javier Arancon to return to Paraguay is final. Despite having a residence permit, his behavior as a foreigner toward the government and institutions has been unsuitable," Interior Minister Sabino Augusto Montanaro said this morning when discussing the situation arising from the expulsion of the Franciscan priest.

"Lately the programs of Radio Charitas in Paraguay have taken the shape of a campaign that is both disruptive and harmful as far as relations between church and state are concerned," the minister emphasized.

Montanaro went on to say that Charitas "is a Catholic radio station managed by members of the Franciscan order. However, we have been forced to take this measure because this station does not do anything to enhance harmony, peace, and understanding among Paraguayans. We are not prepared to allow foreigners, even if they have a residence permit and irrespective of whether they are priests or laymen -- because there are foreign laymen working at radio stations and stating their opinions -- to get involved in local affairs as if they were Paraguayans. As we have said before, Paraguayan problems will be resolved by Paraguayans. Foreigners, whether priests, laymen, or anything else, will not be allowed to come and preach hatred among Paraguayans. We are especially opposed to underhanded propaganda used to further the cause of doctrines totally alien to the democratic system that prevails in our country." Minister Montanaro concluded by stressing: "Let Paraguayans pass judgment on government people. That is what political parties and national democratic organizations are for."

AWARD CEREMONY POSTPONED BY SENATOR'S ILLNESS

PY151306 Lima Panamericana Television Network in Spanish 0300 GMT 15 Jul 86

[Text] The ceremony during which President Alan Garcia was to be awarded the Medal of Congress has been postponed because of an ailment affecting Senate President Luis Alberto Sanchez.

Sanchez and the commission that awards the medal were scheduled to decorate the president this morning at Government House. The highest grade of the decoration was to be awarded to the president in his capacity as chief executive, in appreciation of his efforts to defend democracy and his full support for the Constitution.

A Government House spokesman said that the ceremony was postponed for 2 or 3 days to let Sanchez recuperate.

POLICE ARREST 16 SHINING PATH MEMBERS, FIND ARMS

PY141852 Madrid EFE in Spanish 0147 GMT 14 Jul 86

[Text] Lima, 13 Jul (EFE) -- Interior Minister Abel Salinas reported today in Lima that the forces of order have arrested 16 Shining Path members in towns in Junin and Pasco Departments, in the Peruvian central mountainous region.

Salinas said during a press conference that joint military and police forces surrounded a Shining Path group in areas near the city of Tarma, located in Junin, and that eight Shining Path members were arrested after a clash between the joint forces and subversives, in which one subversive died. He also said that three FAL rifles, three automatic rifles, carbines, and dynamite had been confiscated from the subversives.

The interior minister added that the police had arrested eight more Shining Path members in a remote area near Cerro de Pasco, capital of the Pasco Department.

3 BANCO DE CREDITO OFFICES BOMBED IN LIMA

PY142017 Madrid EFE in Spanish 1402 GMT 14 Jul 86

[Text] Lima, 14 Jul (EFE) -- Three branch offices of the Banco de Credito de Peru were attacked with explosives this morning by alledged terrorists. Two of the attacks took place in Surquillo District, and the third in San Luis District, both in Lima.

The police reported that the attacks took place before the offices opened, and caused only minor damage.

PATROL KILLS 9 GUERRILLAS, DESTROYS 3 CAMPS

PY151254 Lima Canal 9 Television in Spanish 0330 GMT 15 Jul 86

[Text] The Armed Forces Joint Command has reported that on 10 July nine terrorists died in a clash with a military patrol in the Mandor area in La Mar Province, Ayacucho Department. Three guerrilla camps were also destroyed.

SECRET DOCUMENT ON MILITARY SPYING ALLEGED

PY152359 Montevideo LA HORA in Spanish 3 Jul 86 p 2

[Text] The text of a secret document issued by the Armed Forces, ordering the surveillance of a large number of political and social organizations, was revealed on 2 July. The existence of the secret document was reported last week by Jair Krischke, a member of the Brazilian justice and human rights movement.

The 15-page document, which apparently became operational on 1 July 1985, is signed by Army Commander in Chief Lieutenant General Hugo Medina.

The military document assigns the surveillance of a group of political, trade union, and social organizations to several military units. As explained in the document, the military forces were to take over the gathering of all the information concerning certain organizations, including tailing their members.

In one chapter the document refers to the mass media, assigning Commands No 1 and 2 the task of daily monitoring of the broadcasts of radio stations CX 30 La Radio, CX 36 Centenario, CX 40 Fenix, and the Palace's FM radio station.

The document states that the military men must monitor all the information referring to the Armed Forces as an institution, or to its members.

Elsewhere, concerning the radio station EX 30 LA Radio the document states that daily transcripts must be made of the comments made by its "Director Jose German Araujo and by PCU's [Communist Party of Uruguay] Enrique Rodriguez."

The document also states the need to monitor and spy upon the activities of the Catholic Church and other religious groups.

In addition, reference is made to the fact that the same steps are to be taken concerning groups or institutions championing human rights.

The document also states that all the activities and tasks conducted by political organizations such as the PCU, the PVP [People's Victory Party], the IDI [Independent Democratic Left], the 26 de Marzo group, and the MLN (National Liberation Movement] must be watched.

According to the military document, all these political organizations are described as "subversive," and therefore special surveillance of all the activities conducted by these political groups is required.

Another passage of the document requires that military personnel know about trade union leaders, their political affiliation, and all their activities.

PETRICIOLI RETURNS WITHOUT FORMAL IMF AGREEMENT

FL152259 Mexico City NOTIMEX in Spanish 2221 GMT 15 Jul 86

[By correspondent Jose Carreno]

[Text] Washington, 15 Jul (NOTIMEX) -- Gustavo Petrocioli, Finance and Public Credit Secretary, returned to Mexico today without reaching a formal agreement with the IMF but within a few days of achieving this goal.

A technical group remained in Washington to finalize the document that, according to informed sources, could be signed by next week after completing the final details.

Petricioli and IFM Director Jacques de Larosiere practically finished the general agreement over the weekend, and this is being interpreted here as an exceptional demonstration of flexibility on behalf of the IMF.

In statements made Monday to a U.S. news service, Petricioli said Mexico and the IMF have reached a general agreement in principle, and they could resolve the technicalities within a week.

The secretary left Washington on a Bank of Mexico plane accompanied by Francisco Suarez Davila and Pedro Aspe, under secretaries of finance and programming and budget, respectively.

During his last day in Washington, Petricioli met with James Baker, U.S. treasury secretary. A Treasury spokesman confirmed the meeting but did not provide any details.

According to other sources, the IMF for the first time agreed to take the abrupt fall in oil prices into consideration as well as other short-term problems to decide which austerity measures would be required of Mexico in exchange for new loans.

The IMF recognized Mexico's need for economic growth. It decided not to include domestic interest payments into its calculations, which, according to sources, is beneficial to Mexico.

GOVERNMENT APPROVES GATT MEMBERSHIP DOCUMENT

FL151915 Mexico City NOTIMEX in Spanish 1551 GMT 15 Jul 86

[Text] Mexico City, 15 Jul (NOTIMEX) -- The Mexican foreign trade cabinet has approved the document created by the GATT-appointed work group. The document takes into consideration Mexico's GATT memabership.

During a work meeting headed by President Miguel de la Madrid, Hector Hernandez, commerce and industrial development secretary, presented a detailed report on the Mexican GATT membership negotiations. The document includes the draft membership protocol, a report from the work group, and a list of Mexican concessions for membership.

Today, in Geneva, Switzerland, the GATT Permanent Council will consider the document. The Mexican delegation has received instructions to report Mexico's approval. After permanent council approval, the member-countries will vote. After a two-thirds majority is reached -- 61 votes -- Mexico will sign it pending a referendum. Final approval will be made by the Senate in accordance with the Constitution.

The information released by the government also confirms that once the GATT council approves the document, the foreign trade cabinet will publish all material resulting from the negotiation process so that the public can become familiar with the details.

CTM SECRETARY COMMENTS ON ECONOMY AT MEETING

PA152128 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Jul 86

[By Humberto Mares Navarro]

[Excerpts] Low efficiency and productivity levels are at the heart of Mexico's economic problems, President Miguel de la Madrid told representatives of organized labor today during the opening of the fifth national economics meeting of the Confederation of Mexican Workers [CTM]. [passage omitted]

Before President de la Madrid spoke, Nezahualcoyotl de la Vega, CTM secretary for economic affairs, said that the CTM believes that the economic situation must be countered by reactivating the economy according to four basic points: drafting of foreign debt payment policies that will allow the country to promote key development and production goals; reactivation of the domestic market demands by increasing the purchasing power of salaries; optimum utilization of the existing means of production; and reorganization of the nation's monetary and fiscal policies to make them responsive to the needs of the productive sector.

De la Vega said that the CTM is committed to an active alliance with the government in which it examines and proposes solutions.

De la Madrid Speaks

FL150246 Mexico City NOTIMEX in Spanish 2005 GMT 14 Jul 86

[Text] Mexico City, 14 Jul (NOTIMEX) -- President Miguel de la Madrid said today the economy is going through a truly difficult time, and we are in danger of entering a period of recession and unemployment if we do not take the necessary measures in a timely and efficient manner.

Upon opening the fifth economic meeting of the CTM, the president said the danger exists of confronting an uncontrolled inflation, which will increase economic recession accompanied by unemployment and depression among Mexicans.

During his speech to CTM leaders at their headquarters in Mexico City, the chief executive demanded seriousness and responsibiltiy from all sectors of the population in stating problems and solutions. The main goal, he said, should be overcoming crisis, recovering the capacity for growth, creating employment, checking the deterioration of salaries, and continuing in the construction of a more just and equal society.

De la Madrid said that behind the economic problems are low indexes of efficiency and productivity that lag behind other countries economies.

He stressed that Mexicans cannot recover the capacity for growth if we do not make a joint effort between production and government to substantially elevate the levels of efficiency and productivity in goods and services.

The president also said it is indispensable that workers, through their organizations, analyze and deeply reflect upon the economic circumstances confronting the nation, which are still critical and difficult.

If we do not promptly and efficiently make use of the measures to overcome the economic difficulties, he stressed, we could enter into a recession and unemployment, which would later be very difficult to overcome.

Finally, the president told the CTM members to focus their work at this meeting to expand the horizon of ideas and actions that would benefit the people of Mexico.

Accompanying De la Madrid to the ceremony were CTM leader Fidel Velazquez, secretaries Arsenio Farell, labor and social welfare; Manuel Bartlett, government; Carlos Salinas de Gortari, programming and budget; Francisco Rojas, comptroller general; and labor leaders.

PAN MEMBERS BLOCK BRIDGE ON BORDER WITH U.S.

PA151242 Madrid EFE in Spanish 1110 GMT 15 Jul 86

[Text] Mexico City, 14 Jul (EFE) -- An authorized source has told EFE that an undetermined number of National Action Party (PAN) sympathizers blocked one of the bridges that joins Ciudad Juarez, Chihuahua State, with the U.S. town of El Paso, Texas, tonight.

A spokesman of the Ciudad Juarez police also disclosed that PAN members carried out that action to protest, they said, because their candidates for mayor of that city, Gustavo Elizondo, lost the 6 July elections. He added that soldiers of the Mexican Army as well as policemen of several units are on the alert to prevent PAN members from committing any crimes.

Jaime Bermudez, supported by the PRI, in power since 1939, defeated Bermudez by a landslide. With Bermudez' victory, the PRI recovered the mayor's office in Ciudad Juarez which had been in PAN (moderate right), the country's second largest political force, hands for the past 3 years.

Francisco Barrio had been ruling Ciudad Juarez since 1983. Barrio was nominated by the PAN as a candidate for governor of Chihuahau, but he lost the race to Fernando Baeza of the PRI.

EDITORIAL SAYS PRI MUST RESTORE CREDIBILITY

PA141449 Mexico City UNOMASUNO in Spanish 9 Jul 86 p 3

[Editorial: "Transformation Has Not Taken Place"]

[Text] The real problem that the PRI must face is not how to obtain more votes, but how to restore its credibiltiy with Mexican society. It is a fact that the people's trust and certainty that the PRI was carrying out a historic project has weakened. Even though this still does not reduce its possibilties of administering power, it creates a dangerous emptiness around it.

Further evidence of this trend is the lack of favorable comment on the official party. One should analyze the points of view of the nation's influential intellectual sectors regarding the PRI. A wave of progressive intellectuals has not given credence to the PRI's electoral victories, and they have said that even though its victories may be completely legal, the PRI should voluntarily pluralize its use of power.

Other Mexican thinkers such as Octavio Paz and Carlos Fuentes, each with his own metaphor and reasoning, also agree on the thesis that the party and the political system must be reformed and modernized from the inside in a gradual and firm manner.

All these statements do not come from nowhere. They come from a very visible and practical reality: that the most productive and realistic possibilities for reform in recent times come from the inside of the system or from academics and thinkers, like the political figure Jesus Reyes Heroles, former public administrator Porfirio Munoz Ledo, or a more independent and influential figure such as Pablo Gonzalez Casanova, despite the fact that he does not belong to any political party.

The people's points of view reveal and even demand a transformation that has not taken place yet, and no one knows when it will take place. A genuine democratization of the PRI has not taken place yet beginning from the smallest organizations to the municipal, state committees, and National Executive Committee.

Deep inside they are asking for a simple reform: that in each one of those units of political action, the will of the party members should prevail for them to decide on what steps to take and who they should designate as candidates for the party. This never happens because each case is always or almost always settled in negotiations among top party officials. The labor sector plays an important role in this mechanism because of the strength of the labor unions. The people also play a role because they are the means by which the executive states his decisions. [sentence as published]

This panorama, filled with nondemocratic practices stains our system from one end to the other, while the other options that are presented never advanced because they are only words. The National Action Party's ideas carry us backward historically because they want us to be subordinated to foreign interests. Left-wing parties do not show any fundamental concern for democracy in their inspirational models.

Consequently, the PRI looks like a crippled giant who is unsatisfied and cannot satisfy society, but at the same time does not have any rivals or any other options. Without doubt conformists might like this situation, but the Mexican people who advance in their ideological structures, levels of information, and degree of reflection on more pluralistic styles do not agree with this form of political power.

CHIHUAHUA CATHOLIC CHURCH PROTESTS 'FRAUD'

PA141920 Paris AFP in Spanish 1540 GMT 13 Jul 86

[Excerpt] Mexico City, 13 Jul (AFP) -- The Catholic Church of Chihuahua has announced that its churches will be closed next Sunday and that its priests will not officiate at masses to protest the "fraud" perpetrated during the elections held a week ago in that northern Mexican state.

"This is a protest measure, a loud cry on our part to open the eyes of those who are blindfolded or who have been blinded by their own guilt," the ecclesiastical hierarchs stated in a homily read in all the churches in the state.

In accordance with our evangelical principles "we protest the shameful incidents that characterized the 6 July elections," said the document released on the eve of the announcement to be made today on the official results of the elections for governor, legislator, and municipal authorities. The homily added: "We protest the falsity, fraud, slowdown, the arrogance of the police, the blackmail, threats, and all the arbitrary actions carried out that day" in favor of the progovernment PRI and against the opposition National Action Party (PAN).

Referring to the people in its diocese, the Chihuahua church noted that "the people have fallen into the hands of robbers, they have suffered all kinds of repression, abuse, hoax, and scorn; their dignity has been deeply hurt; they have been threatened, lied to, and their human rights have not been respected."

The Archbishopric -- which has openly supported the PAN -- added: "The people are victims of the arrogance of those who hold power, the people of Chihuahua have been left half-dead on the road."

The church -- which in Mexico is separated from the state and is proscribed from participating in politics -- and its faithful "could choose to remain passive and indifferent, but that would be complicity; that would be contrary to the truth, to justice and to the testimony of fraternal charity which the gospel demands from us," the document added.

"We believe it is our duty to stop -- as the good Samaritan -- before the injured, before our hurt people, to anoint them, not with oil, but with the word, with our solidarity, by protesting what is radically incompatible with our Christian principles, and by speaking out on behalf of our brothers who cannot voice their protest." [passage omitted]

CHURCH ACCUSED OF SUPPORTING OPPOSITION

PA142222 Mexico City EL DIA in Spanish 11 Jul 86 p 4

[Article entitled: "The Clergy Once Again Outside the Law," by Hector Ramirez Cuellar]

[Text] During the recent elections in Chihuahua, Durango, and Zacatecas, once more it has been clearly established that the high clergy are increasingly violating the Constitution. As the clergy have not found a firm response on the part of the government, which is in charge of applying the Constitution, they have played a more militant role in favor of the PAN [National Action Party]. With the latest reports published, especially in the foreign press, it is now absolutely clear that the PAN is nothing but a branch of the U.S. Republican Party.

Soledad Loeza, in a magazine article written about the PAN, has said that this party has become PRI's most important challenge. While the PRI grows older, PAN grows younger and is rejuvenated. PAN's electoral advance is also explained by that organization's prestige, which has maintained a continuous course of independent opposition. Because of its undefined program, it has picked up all the discontented and nonconformists. "Because of the so far unjust accusations of the PAN being an antinationalistic party, PAN has to be doubly careful on the handling of topics related to the United States." Instead of seeing PAN as an imperialist agent, it is necessary to block its way and put it back in its just proportion..." [quotation mark as published]

These analyses -- supposedly scientific and aseptic -- attempt to hide objective realities. For example, it is true that PAN has made some program changes, but these have not been of any importance. No changes have been made to its doctrinal principles, which are individualism and common good.

This in fact explains Archbishop Adalberto Almeida y Merino's Sunday religious ceremony where he said that PAN's ideology and program are the ones nearest to the church, and therefore he tacitly recommended that parishoners vote for that party. Almeida went much further, exerting political pressure, when he threatened PRI candidate Fernando Baeza with excommunication if he did not respect the popular will. To many believers, excommunication is the worst of punishments; therefore, it would be of grave moral concern.

In the state of Chihuahua the political factors not mentioned in the Loeza study are evident. The traditional PAN leaders have been displaced or substituted by great industrialists, businessmen, and bankers, who did not belong to any party before or preferred to exert pressure through the PRI or the government.

That PAN is not the one belonging to lawyers and accountants as we knew it 20 years ago, without disregarding the fact that there are still some professionals like these in the PAN. Now it is an instrument of the great economic groups, profoundly resentful because of the bank nationalization. As an example, Coparmex [Mexican Employers Confederation] President Bernardo Ardavin travelled to Chihuahua City to take sides with the attacks on the work of General Cardenas and all the positive things of the Mexican revolution.

PAN spent millions of pesos on the Chihuahua campaign, and the source of these funds cannot be the people nor the so-called middle classes. It is from the effective backing received from national and foreign economic groups. There were many minutes of television time, hours of radio time, dozens of pages in local and state newspapers.

To crown it all, that very same Sunday morning there were 600 meetings, as that was what the religious acts were turned into. It was obvious that the ecclesiastical hierarchy was acting militantly and dynamically, without the reticence and attachment to form of the past. Suddenly Almeida y Merino, Talamas Calamandari, and others abandoned the usual Jesuit language and spoke more like mass leaders, like political agitators, tearing into bits and pieces the republic's Constitution.

The bishops and archbishops published and distributed a document entitled "Christian Coherence" in which they openly exerted moral pressure so that parishoners would vote for PAN; Rev Dizan Vazquez promoted the churches "civil disobedience" activities, which incidentally ended in total failure; Father Andres Baeza prayed against electoral fraud (read as PRI) and Camilo Daniel Perez made notorious and permanent propaganda in favor of the PAN and PSUM [United Socialists Party of Mexico].

The PSUM, applying a policy of total coexistence with the right, transformed itself into one of the PAN's main apologists. Professor Becerra Gaytan on repeated occasions reaffirmed that the "democratic option" was not the left but the fascist messianic Barrio Terrazas.

Faced with the constitutional violations of Almeida y Merino and Talamas Calamandari, the Secretariat of the Government cannot just stand there and do nothing.

BRIEFS

BOLIVIANS ARRESTED FOR SMUGGLING -- Two Bolivian citizens, Eduardo Antonio Avaroa Leingue and Federico Juan del Castillo, were arrested at Mexico City's International Airport while trying to smuggle more than 3 kg of pure cocaine into the country. [Summary] [Mexico City UNOMASUNO in Spanish 28 Jun 86 p 11 PA]

NAVY ANTI-NARCOTICS CAMPAIGN -- Navy Secretary Admiral Miguel Angel Gomez Ortega has reported that in its permanent campaign against drug trafficking the Mexican Navy has burned 11,287 kg of marijuana and has confiscated 320 kg of the same drug. [Summary] [Mexico City EL NACIONAL in Spanish 2 Jul 86 p 6 PA]

COCAINE SEIZED -- Tijuana, 27 Jun -- Federal Judicial Police agents have seized a cocaine shipment worth $585,000 at this city's Abelardo L. Rodriguez International Airport yesterday. Interpol First Commander Salvador Peralta Perez seized almost 1 kg of pure cocaine from Jose Pena Mendoza, who also carried 525 grams of heroin. In addition, Leoncio Vega Correa, a U.S. citizen, was arrested for drug possession. He had come from California to pick up two people who were identified as 45-year-old Raul Gonzalez Mendoza and 19-year-old Alma Delia Guillen Vega, who were carrying 410 grams of pure heroin. [Summary] [Mexico City EL NACIONAL in Spanish 28 Jun 86 p 12 PA]

STUDENTS, DEFENSE FORCES CLASH IN COLON

PA151819 Panama City Televisora Nacional in Spanish 1743 GMT 15 Jul 86

[Text] This morning students of the Professional and Technical Institute [IPTC] located in Kativa, Colon Province, closed the Boyd-Roosevelt Highway, which goes to Colon City.

Today, at noon, Juan Sanchez, the general secretary of the Colon Regional University Center, reported over the phone that after the blocking of the this highway and the subsequent confrontation with members of the Atlantic zone Panamanian Defense Forces, 1 student was seriously injured and 10 others suffered minor injuries.

Meanwhile, in Colon City, the indefinite hunger strike staged by university and high school students continues. At the same time, to express their solidarity, students of the Abel Bravo School, of the IPTC, and of the University Regional Center met in front of the Colon governorship to express their support for the hunger strikers.

It was also reported that leaders of the Colon Teacher's Association met with leaders of the Colon student organizations during a visit to the students who are on their 6th day of hunger strike.

U.S., SOVIET ROLES IN NICARAGUA REVIEWED

PA152248 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jul 86 p A-4

[Editorial: "Why the USSR and Not the United States?"]

[Text] The whole world has witnessed a huge wave of protests after the U.S. Government approved $100 million in aid for the Nicaraguan rebels fighting the Sandinist government in that Central American nation. Important world public opinion organizations such as the honorable court of The Hague have not spared their unfavorable remarks regarding the U.S. President's decision. His action has been described as being an intervention in the internal affairs of another country, as an openly provocative U.S. action and as being the herald of an invasion of that country governed by communists.

For the common observer, the points of view that have been expressed regarding the U.S. aid are really visible. The nature of a democratic regime like that of the United States undoubtedly allows for all of its official actions to be known in full detail. That is why everyone has learned about President Reagan's request, including its vicissitudes, discussions, and final approval. However, the world has not been informed in the same manner of the economic aid, of the sophisticated weaponry and of all the Marxist literature that the USSR has given Nicaragua to maintain the communist Sandinist government in that nation.

Despite the fact that there are no complete details of the Soviet-aid -- due to hermetic control of information in communist countries -- the world is aware that Nicaragua is being economically and militarily supported by the USSR. Nevertheless, no one talks about this situation, and there are no condemning remarks of any type. Does this tell us that the United Stats cannot fight for democracy on the continent and defend those who uphold its principles? At the same time, is it permissible for the Soviets to extend their tentacles into our continent, to surreptitiously supply all the weapons possible to achieve their goals and to continue promoting armed conflict in the area?

The whole world is aware of the fact that the Soviets are supporting the Nicaraguan regime. It is perfectly well known that its leaders receive their orders from the Soviets. Many organizations that lend themselves to this game do not condemn this situation. However, when the United States makes the same move, they come out of their den to make all types aof condeming remarks against the U.S. Government. What difference is there between the open and public aid that the United States gives those people fighting the Sandinist government, and the surreptitious aid that the Soviets give the Sandinists? In our judgment, the difference lies in the fact that the United States gives it openly with sincerity and frankness, while the USSR gives it secretly with hypocrisy and cynicism.

Both the USSR and the United States are equally responsible for the internal armed conflicts in the world. If the Soviets are supporting the shameful, totalitarian, and communist regime in Nicaragua, the United States is right in attacking the most appropriate fronts to achieve the establishment of democracy in the country and in the area. That is why we do not see any reason for so much fuss, and for saying yes to the USSR and no to the United States.

COSTA RICA

TRADE SUSPENDED WITH GUATEMALA 14 JULY

PA160257 San Jose Radio Reloj in Spanish 0100 GMT 15 Jul 86

[Text] Economy, Industry, and Commerce Minister Luis Diego Escalante announced during a news conference that free trade with Guatemala was suspended as of this afternoon [14 July]. He said that the decision was adopted because it had been agreed that a high-level mission would come from that country to San Jose today to seek a solution to the trade problems. Nevertheless, he said, the trip was cancelled at the last minute because of labor problems at the Guatemalan Central Bank. This is considered a poor excuse.

Beginning tomorrow, the borders will be closed to all products coming from the Guatemalan market, the economy minister said. He emphasized that as a result of this, our authorities must first be consulted by anyone who wants to bring Guatemalan products to our country. Nevertheless, he emphasized, President Oscar Arias' government is interested in continuing negotiations for a satisfactory settlement with Guatemala.

Given that there is no [as heard] trade between the countries in the region, there is no CACM right now, Luis Diego Escalante stated. He indicated that in Costa Rica's case, direct trade is only working with Nicaragua, and this is being regulated given the delays in payments. Consequently, he said, the trade [words indistinct] one on one basis; in other words, $1 worth of products is bought for every $1 sold. This represents a practically null relationship.

Guatemala currently owed $70 million to Costa Rica in trade operations, the economy minister stated. He specified that $58 million of this is documented, $7.4 million is the overdue documented debt, and $2.5 million is not documented. He reported that on 30 June our country exported $16 million worth of products to Guatemala and purchased $24 million. this represents a surplus of $8 million in favor of that nation.

EL SALVADOR

DUARTE SAYS NOTHING NEW IN FDR-FMLN PROPOSAL

PA152212 San Salvador Canal Doce Television in Spanish 1200 GMT 15 Jul 86

[Text] President Jose Napoleon Duarte last night said that the FDR-FMLN proposal does not include anything new and that it is similar to the one presented in Ayagualo in 1984.

[Begin Duarte recording] This proposal is exactly the same document they presented in Ayagualo, the same 2-point document they presented in Mexico, the same 4-point document. This is to say, the language used has been changed, yet it is the same thing. With their proposal, they do not recognize the government, the Constitution, or the Armed Forces, and they want to form a new government. In other words, the proposal repeats what Villalobos has said, that they do not recognize the Constitution, the government, the Armed Forces, the elections, or democracy. This is what the document amounts to. It perhaps uses different language, but the idea is the same. There is no difference between this proposal and the one that they presented at Ayagualo. [end recording]

In addition, Duarte denied the existence of fundamental differences between the government and the opposition about the dialogue and pointed out that what really counts is that for the first time all political sectors are analyzing the position that the government must assume regarding the guerrillas.

[Begin recording] I think the dialogue has already begun. It is important that for the first time various national sectors want to express their views about the dialogue. This is the way to seek a national consensus which is fundamental to achieve peace in the country. Although it does not recognize the foundations of the country's Constitution, the rebels proposal permits the various national sectors to express their views. I have been asked whether there are disagreements about the dialogue between the government and the other parties. It is only natural for these disagreements to exist. We have lived all these years in a conflict in which faith and mutual trust have been lost. This is the most important effort that we must take to create the bases for a pluralist democracy in the country. [end recording]

Also, the president denied the existence of unrest in the Armed Forces due to the release of trade union leader Jebe Elizabeth Velasquez.

FDS'S UNGO ON DIALOGUE VS. POLITICAL AGENDA

PA152323 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Jul 86

[Report by Carlos Fabio Marquez]

[Excerpt] In the last few days, various opinions have been expressed with regard to the third meeting for peace between the guerilla fronts and the government of President Jose Napoleon Duarte. One of the most recent remarks about this was President Duarte's statement in San Francisco Gotera on Saturday, when he invited Commander Joaquin Villalobos [of the FMLN] to hold a face-to-face dialogue. President Duarte also urged Shafik Jorge Handal [FMLN leader] to seek a political solution and to give up his weapons.

We have spoken with FDR President Guillermo Manuel Ungo on the telephone. He initially stated on Thursday [as heard] he met with [San Salvador Archbishop] Msgr Arturo Rivera y Damas in Colombia after Pope John Paul II's visit. In this regard, and mainly on the document issued by the fronts on Friday, Dr Ungo speaks to us:

[Begin recording] [Ungo] We wanted to explain to the Salvadoran people that in an effort to achieve the holding of this third meetng, Companeoro Ruven Zamroa, vice president of the FDR, and, as FDR president, went to Bogota 10 days ago to meet with Msgr Rivera y Damas. Two weeks ago on Thursday we met with him in Bogota, precisely when his holiness, the pope, was there in Colombia. We spoke at length with the monsignor. Therefore, we believe that our efforts, and the role played by the mediator will make this next meeting possible. We have returned, satisfied with the talks that we held with Msgr Arturo Rivera y Damas. He continues to express interest and concern, and he offered to undertake efforts so that this new opportunity to reopen the dialogue will not be lost.

Now then, referring to the political proposal that we have issued. We believe that it must be separated from the dialogue and negotiation with the Salvadoran Government. They are two things that affect and influence each other and are linked, but they are different.

We have issued a social proposal to the nation as a whole. We have issued it to all social, political, economic, religious, and cultural sectors of the country because we are experiencing a national conflict that affects all national sectors and in whose solution all must participate.

Therefore, the proposal is independent of the development and the agenda of the dialogue and negotiation with the Salvadoran Government. We have proposed and we have accepted an initial agenda of dialogue and negotiation with the Salvadoran Government which includes the points we agreed upon with the government in La Palma and Ayagualo. In La Palma there was talk of undertaking a step-by-step process in various aspects, including those of the continuation of the dialogue, the participation of the various national sectors in the dialogue, and the humanization of the war. Duarte has accepted the La Palma agreements as the starting point. Therefore, this is a modest agenda. We should not have great expectations about it or a triumphal spirit. It is a difficult and lengthy process that in any case seeks to shorten the conflict and reduce its human, social, and economic costs.

Regarding the social and political proposal to the entire Salvadoran nation as a whole, to seek a solution to the conflict, we began to work on this before there was this possibility of reopening the dialogue; in other words, when the dialogue had been interrupted for more than a year. It is an offer to the Salvadoran people as a whole. We believe that they are the main protagonists of a political solution and that therefore, they should guide, influence, and exert pressure on the negotiations between the government and our fronts. However, the proposal goes beyond that negotiation. It is what could bring about a national consensus and an agreement on a formula for a political solution. That is why this proposal is not a final formula or a definite and complete prescription.

Instead, it contains the main elements that we believe can serve as a foundation to find a solution to the conflict among all the various social and political sectors. Therefore, it is a responsible and flexible proposal. It is a proposal that is open to discussion and that can be reformulated, modified, corrected, and improved. We think that it will show without any exclusions -- with the exception of those who want to exclude themselves because they do not want democracy or pluralism -- which forces want to participate in a national solution of a broad consensus. We also think this falls in line with what we are seeing on the national scene, where various political, social, and trade union organizations are expressing their opinions. We believe their opinions must be considered by our fronts and the government in order to solve the conflict. In sum, that is an explanation of the proposal that we recently released nationally and internationally.

[Marquez] Dr Ungo, on Saturday President Duarte asked Commander Joaquin Villalobos for a face-to-face meeting. Likewise, he asked Shafik Jorge Handal not to let Joaquin Villalobos manipulate him and to try to find a political solution to the conflict. What are your views on Duarte's proposal, considering that your proposal was disclosed Friday night?

[Ungo] They are hardly serious, rash, and also contradictory, because that is what we are proposing. [sentence as heard] Immediately after -- 48 hours after -- Duarte made his proposal for a third meeting we named a delegation. Commander Joaquin Villalobos is part of that delegation. Another member of the General Command, Commander Leonel Gonzalez, is in it. Therefore, Duarte cannot ask for a higher level than the one we are sending. Moreover, we are not telling him who to bring to the meeting. Therefore, these views are rash and not serious.

At any rate, this means that Duarte is accepting and ratifying his offer. I feel that the fact that he is planning to meet with us and Commander Villalobos is positive. He is going to realize that our offer is a concrete indication that no one manipulates anyone in our fronts, but rather that we reach agreements. These agreements are clear, flexible, realistic, and responsible. They allow us not only to understand each other, but to reach greater understanding with other political and social forces in the country.

[Marquez] One more question, Dr Ungo. Through Radio Venceremos the guerrillas have recently accused Msgr Rosas Chavez, in particular, of being biased and subservient to the government's stances. And also, do you think the talks will be held on 30 July as you have proposed, or will they take place in early August?

[Ungo] To us, the date is not the chief issue. We said that we should adhere to the spirit and the terms of Durate's proposals, which mentioned late July or early August. We made a proposal, and we remain open to a counterproposal. We see that there are great difficulties in holding the talks in late July because Archbishop Rivera y Damas has not yet returned to El Salvador. In any case, we are open to holding the meeting in late July or early August. We have adopted a flexible stance. Our relations with the archbishop are based on good understanding inasmuch we continue believing and trusting in his role as mediator -- as the FDR and the FMLN have clearly stated.

Regarding the criticism against Msgr Rosas Chavez, these are the FMLN's views. In some instances we share these views, in others we differ. However, this does not affect the role of the mediator, that is, the San Salvador archbishop. Still, we want to make it clear that whenever the church or its officials enter into the earthly field of political realities, they are no longer talking ex cathedra. They are accepting political discussions as a fundamental aspect of democracy. Therefore, the criticism against Msgr Rosas Chavez must be chiefly viewed within that context, as a natural and normal development of democracy and political freedoms in which we may agree and disagree. The main thing is that we continue trusting, believing in, and supporting Msgr Rivera y Damas in his role as mediator. [end recording] [passage omitted]

GUATEMALA

CEREZO APPOINTS NEW NATIONAL POLICE DIRECTOR

PA150306 Panama City ACAN in Spanish 2345 GMT 14 Jul 86

[Excerpts] Guatemala, 14 Jul (ACAN-EFE) -- President Vinicio Cerezo today appointed a colonel as the new director of the National Police to replace a man trusted by the president who fought against corruption in that security group for the past 6 months. Government Minister Juan Jose Rodil Peralta said that Army Colonel Julio Caballeros Signe today will replace Zuchini Paiz, who took over the General Police Directorate last February. Rodil Peralta said the Christian Democratic president accepted Zuchini Paiz' resignation as director of the police institution, presented yesterday for "personal reasons" and not due to "friction with the Government Ministry." The government minister said "Zuchini Paiz had and still has the trust of President Cerezo and myself." [passage omitted]

The government minister reported that President Cerezo decided to remove Roberto Antonio Pastro Cojulun from his post as inspector general and third in command in the Police. Rodil Peralta said that Pastro Cojulun will be replaced today by Officer Daniel Mendez Soto, who worked in the police force for 43 years and is currently retired. [passage omitted]

HONDURAS

AZCONA SAYS COUNTRY NOT PREPARING FOR WAR

PA152309 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 14 Jul 86

[Excerpts] In regard to President Jose Azcona Hoyo's visit to San Pedro Sula, we want to report that, among other things, he said that the road to peace in Central America goes through Managua, not through Tegucigalpa. [passage omitted] During a news conference with the local media, President Azcona also said that it is not true that the Honduran people have lost faith in their political leaders. President Azcona said: I think that much is said on behalf of the people, but nobody has questioned the people in regard to the faith they have in their leaders. I think that I still have a great deal of credibility on the part of the Honduran people. Similarly, he said that the frequent calls made by the Armed Forces in regard to the military recruitment do not mean that Honduras is getting ready for a war. There is a law that establishes that Hondurans at a certain age must comply with the compulsory military service. [passage omitted]

MSGR VEGA DECLINES RETURN ON SANDINIST TERMS

PA152127 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 14 Jul 86

[Report by Danilo Antunez]

[Excerpt] Yesterday Nicaraguan's Msgr Pablo Antonio Vega, vice president of the Nicaraguan Episcopal Conference, celebrated a mass at the church of the Virgin of Suyapa. Approximately 300 Nicaraguan exiles attended the mass. At the end of the mass, Msgr Vega made exclusive statements for Radio America.

Regarding his response to the proposal made by the Nicaraguan Government for him to return to Chontales if he stops criticizing the Sandinist regime, Msgr Vega said that it is not worth returning to Nicaragua if he has to keep his mouth shut. Msgr Vega added that he is talking to the Honduran Catholic authorities in order to remain in Honduras, working with Nicaraguan refugees. He added that on Wednesday he will visit the refugee camps in El Paraiso and that next week he will travel to Rome to meet with Pope John Paul II. [passage omitted]

BRIEFS

AMBASSADORIAL APPOINTMENTS -- Teguciglapa, 12 Jul (ACAN-EFE) -- The Honduran Government officially announced today the appointments of its new ambassadors to the FRG, Nicaragua, Belgium, and the United Nations. Alejandro Rene Mayr will present his credentials to the FRG Goverment late this month. Colonel Rigoberto Regalado Lara will head the Honduran Embassy in Nicaragua; Manuel Lopez Luna has been appointed ambassador to Belgium and the EEC; and Roberto Martinez Ordonez has been appointed ambassador to the United Nations, replacing Roberto Herrera Caceres. [Summary] [Panama City ACAN in Spanish 1606 GMT 12 Jul 86 PA]

NICARAGUA

HUMBERTO ORTEGA AWARDS MILITARY PROMOTIONS

PA151940 Managua Domestic Service in Spanish 1620 GMT 15 Jul 86

[Speech by Defense Minister Humberto Ortega, to commemorate the anniversary of the death of Julio Buitrago, to present military promotions, and to inaugurate the Jose Benito Esocabar Central Construction Base of the EPS in Managua -- live]

[Text] Brothers of the National Directorate, Tomas Borge Martinez and Victor Manuel Tirado Lopez; brother Sergio Ramirez; borthers of the Sandinist Assembly and of the General Staff; bothers of the Interior Ministry; brothers of our government; special guests; dear brothers, relatives of our promoted officers; companeros workers:

We are inaugurating this central construction base of the EPS today with Companeros Tomas and Victor Tirado Lopez, members of the National Directorate who began the process of forging, creating, and founding the FSLN along with Carlos Fonseca and Jose Benito Escobar, and in the presence of the vice president of the republic. This central construction base is a very big effort that our revolution has undertaken to give our Army better possibilities to strengthen our troops which today face the unjust aggression of the current U.S. Administration.

We are also very honored today to have among us the mother of our dear member of the National Director, Jose Benito Escobar. She has unveiled the plaque with his name engraved at the base.

Today in the United States, Mr Caspar Weinberger is scheduled on the 15th and the 16th [words indistinct] meet with well-known chiefs of mercenary forces including its mercenary forces that attack the Nicaraguan people. Therefore, there are two types of meetings today, that of the revolutionary leadership, which we represent, with the sons of the people in the EPS, and that of Mr Caspar Weinberger, U.S. secretary of defense, with the sons of Reagan.

We are a few days from marking the seventh anniversary of the Sandinist people's revolution. Our people organized in its defense, both through the EPS and the Interior Ministry, have guaranteed our reaching this seventh anniversary.

The U.S. Administration cannot conceive that today, despite the unjust and criminal aggression against the Nicaraguan people, we are inaugurating this Army construction complex. The most reactionary sectors of the U.S. Government cannot conceive that we are just a few days away from celebrating 7 years of free and independent life. They cannot conceive how the revolution, amid their cruel aggression and despite the underdevelopment inherited from the past exploitation, they cannot conceive how the revolution, despite having received an underdeveloped country ruined by the liberation war and the popular insurrection to oust the Somozist dictatorship, they cannot conceive how an underdeveloped country ruined by that popular war as well as by natural disasters such as the 1972 earthquake, is on the verge of marking its seventh anniversary. They cannot conceive how hundreds and hundreds of thousands of millions of dollars, which they have invested in their war of aggression against Nicaragua, how those hundreds and hundreds of thousands of dollars have never paralyzed not one millimeter of the advancements made by the revolution.

If one deeply evaluates the complex situation in which the Sandinists have been slowly changing the Nicaraguan reality to gradually build the new society, and if one deeply understands how difficult this process of revolutionary change is, one will then understand the great moral and revolutionary spirit, strength, and potential of the Nicaraguan people in making this revolution and these changes a reality.

Let us try to think for a moment about another Latin American country that is more developed than ours -- ten times more developed than Nicaragua and with fewer problems. Let us think for a moment about a country like this one, subjected to cruel aggression, shameless U.S. aggression, and we will see that it would be very hard for such a country to face such aggression unless it has a revolutionary people and leadership such as the Nicaraguan people and leadership which are firmer than ever.

Therefore, the great achievement, 7 years after the revolution, is not only the fact that the revolution is still surviving this one-sided war of aggression that is being increased by the U.S. Administration, but the fact that we are advancing -- little by little and despite the many difficulties and defects that our revolutionary process may have -- in the transformation that enables us to change the past and build our future.

This is the big achievement of our revolution. This is what the U.S. Administration does not want. It does not want the consolidation of this in the upcoming months and years. Today the U.S. Administration wants to destroy this people's achievements by directly using its CIA apparatus and by placing its troops stationed in Honduras and Costa Rica in a more direct intervention position.

It must be noted that in the face of the defeats that our people have been dealing to the U.S. mercenary forces, the U.S. Administration has had no other recourse than to increase its interventionist war by giving carte blanche to the CIA's gloomy plans and strengthening the theater of Central American military operations in order to threaten, intimidate, and blackmail the revolution with the menace of a direct intervention.

Of course, the reasonable path for the U.S. Administration to follow would be to support the peace efforts of the Contadora Group and thus put an end, once and for all, to this tragedy which has claimed the lives of more than 30,000 Nicaraguans since Ronald Reagan assumed office.

Nicaragua wants peace, and for this reason it has given all its support, through our government and its diplomatic efforts, to the Contadora Group and its Support Group. This is the path. This is the moment that the U.S. Administration should use in the face of the irreversible defeat of the mercenary forces which, operating with every type of support from Honduras and Costa Rica, have been unable to develop their plans to liberate large territories. According to these plans, in this year 1986, they should already be here where our people are as part of the EPS.

Our people, the poor peasants, the city's workers, our people, and the youths, mainly, have prevented the U.S. mercenary forces from being here in Managua today. They have prevented these forces from trying to impose a past which the revolution of 19 July 1979 left behind forever.

Our government has reiterated its support for the peace process, but what will the Nicaraguans do? What will the EPS members do? What will the companeros of the Interior Ministry do? What will the companeros of the State Security Office do? What wil our people organized for defense do while the U.S. Administration comes to the realization that it must accept the defeat of its mercenary forces and support peace? Are we Nicaraguans going to trust that fact that one day, one sunny and pleasant day, Mr Reagan is going to wake up and say: Well, this is it. I am not going to continue killing children and civilians like the more than 500 civilians who fell victim in the past 6 months of 1986.

They were killed by Mr Reagan's mercenary bands. Do you think that Mr Reagan, Caspar Weinberger, and all the other reactionaries of the U.S. Administration are going to wake up one morning thinking that they are going to pardon the Sandinists and that they are going to do them the favor of stopping the war? Do you think that one morning these gentlemen are going to wake up regretting the deaths of more than 30 children, who have been killed by their mercenary forces so far this year? Do you think that Mr Reagan is going to deplore the death of the five young girls who were killed by the mercenary forces that are organized, financed, directed, and are currently strengthened with the presence of Latin American mercenary agents -- Cuban worms and worms of other nationalities -- who are in the CIA's sinister structure.

Do you think that this revolution is going to depend on the whims and temperaments of the officials of the U.S. Administration? No. This revolution will depend on, in the first place, these working people, the descendants of Jose Benito Escobar Perez, the youths like Julio Buitrago who knew how to defend -- just as we are defending now -- dignity, the homeland, and the interests of the revolution, which are the people's interests, with weapons, with more organization, with more courage, with more boldness, and with amore implacable fist to crush our enemies.

Mr Weinberger meets with the chiefs of the mercenaries. We meet with the people. However, we, the Nicaraguans, as I said before, are not going to be overconfident for one instant. Concurrently with the efforts maintained and which our government continues to maintain in the diplomatic and political frameworks, we will in the next few weeks and the next few months, under the state of siege to which Nicaragua is subjected -- because let us remember, and we have pointed this out before, Nicaragua is being subjected to a true siege, as our friend Jose Figueres [former president] from Costa Rica pointed out, when he was awarded the order of Augusto Cesar Sandino. We are truly being besieged by military aggression from across the borders, with the constant naval and air espionage patrols by the United States, with all the preparations that the United States is carrying out in the military operations theater, and is now increasing, especially in Honduras, in La Mosquitia, in Mocoron in Yoro, in La Ceiba, in El Aguacate, in Palmerola, in Isla del Tigre, in Isla El (?Mole), in Choluteca, in El Paraiso, in Olancho, and in fact, in most parts of the Honduran territory various measures are being strenghthened in the theater of military operations to manage forces on a larger scale and level by the United States.

In the last few weeks they have been improving the radio-electronic systems to direct larger U.S air and naval groups against our territory. The United States is also hurrying to try to maintain the mercenary forces as a front to maneuver through them to create what they have termed a provisional government. Apparently, the idea is to create it in the most remote areas, which are most difficult to reach by our troops, such as in norther Zelaya, the Honduran Mosquitia, and the northern Zelaya sector of Nicaragua.

You can make many plans, imperialist genetlemen of North America. You can make as many plans as those that have already failed as a result of the tenacity of our armed people, the tenacity of our people who work in the fields and the factories. You can make many plans, imperialist gentlemen, to strengthen the siege against Nicaragua, but we are certain that in the face of this diplomatic, political, and military siege in the face of this siege that diminishes financial resources, that obstructs our commercial relations, in the face of our people, here in Nicaragua there is a growing iron resistance to make the criminal and counterrevolutionary siege fail.

Therefore, the task which the Army has, the task which the people have for the next few weeks and months will be tasks under conditions even more difficult than the conditions we have been obliged to endure so far.

However, are the Nicaraguans going to surrender to this crude reality that we must face in the future? It is true we have sustained thousands of deaths, thousands of victims, as a result of this criminal war of the United States against Nicaragua. It is true that we have shed much blood and sweat to keep the Nicaraguan revolution alive. It is true that we have cried with the mothers of our heroes and martyrs, such as the mother of Jose Benito Escobar, or the mothers of the youths mobilized into the service, or the reservists who have fallen in the fulfillment of their duty when they were mobilized, or the militias that have also fallen in the defense of the homeland, or the fighters of the Interior Ministry who have also shed their blood beside their heroic brothers in the Army.

It is also true that we have shed tears over the suffering of our people, but our people also smile, our people also sing of their victories, our people are not going to kneel to mourn the injustices and cruelties of the war. Our people are not going to prostrate themselves, our people are going to continue crying for our martyrs and will continue singing their victories. Our armed people, Mr Caspar Weinberger, will never surrender to your mercenaries or to your U.S. troops, if they dare invade the sacred soil of our homeland. [applause]

What can the revolution give our 3 million Nicaraguans after 7 years? What can the people give themselves after 7 years of revolution, starting from a backward country that has been ruined by the war and the injustices of yesterdays's exploitation? What can our people construct in 7 years of revolution in the midst of a war and an economic crisis that principally affects the small countries, such as Nicaragua? Is it possible that in 7 years of revolution the people could construct and produce an abundant material surplus to solve the hundreds of material, economic, and social problems that the Nicaraguan people are still enduring, that our officers and soldiers are enduring?

This revolution has, in spite of everything, been solving, whenever possible, the needs of the people. Those who complain most here are those who were better off yesterday, and logically, the material, economic, and social situation that we have now is not what the revolution aspires to. The revolution aspires to solve the basic economic and material problems of the people in the next few years as a basis to construct a wealthier and more just society for the enjoyment of our people, the majority of our people, and not the small group of scoundrels, hierarchs, liberal-conservative oligarchs, Robelos, and other bandits who want to turn Nicaragua back to the past.

Today, companeros, we have to be more united than ever. We carry out these promotions in our EPS -- a central ceremony with which we symbolize the process of promotions in our entire Army -- convinced of our victory. We conduct this promotions ceremony with faith in our victory, precisely at the moment we are increasingly and definitely defeating the mercenary forces. At the same time, we are building a modern Army, we are building a modern institution. We are building installations such as the one we are inaugurating here today. These installations are the result of the process of consolidation of our Armed Forces. This means that we are defeating the mercenary forces. Imperialism was not only unable to save them from their defeat, but it was also unable to stop the process of building up the modern Army of the people.

For this reason, with the conviction derived from these 7 years of revolution; with the victories experienced in the battlefield -- where the mercenary force is being strategically defeated -- with the certainly of the institutional progress made by our Armed Forces; and with the Nicaraguan people, thier morale higher than ever, let us say today, just like they did yesterday, companeros and brothers of the EPS here entrenched, let us say, like Julio Buitrago did, in this great house of security called Nicaragua; today, together with Julio Buitagro, and Jose Benito Escobar, let us say: Victorious Nicaragua neither surrenders nor sells out. Free fatherland or death. [applauses]

BORGE COMMENTS ON U.S. PLANS' MSGR VEGA

PA150233 Managua Sistema Sandinista Television Network in Spanish 0230 GMT 14 Jul 86

[Speech by Interior Minister Commander Tomas Borge Martinez during the official opening of the international symposium on Indian state's autonomy and rights at the Cesar Augusto Silva Conventions Center in Managua on 13 July -- recorded]

[Excerpts] Dear companeros: Allow me to participate in the [words indistinct] of more than 100 delegates to this symposium and numerous special guests on behalf of Daniel Ortega, our comapnero and member of the National Directorate, commander of the revolution and president of Nicaragua; Commander Luis Carrion, National Directorate member; all the members of our highest revolutionary FSLN [?leadership]; all the companeros who presided over this event; Father Ernesto Cardenal; Guerilla Commander Lumberto Campbell, coordinator of the FLSN regional committee in South Zelaya; Commander Jose Gonzalez Picado, coordinator of the FSLN regional committee in Northern Zelaya; Companero Ray Hooker, coordinator of the National Autonomy Commission; Companero Armando Rojas, coordinator of the regional autonomy commission in Northern Zelaya, Special Zone 1; Companero Johnny Hodgson, coordinator of the regional autonomy commisson of Southern Zelaya, Special Zone 2; Dr Myrna Sullivan, minister delegate of the president in Northern Zelaya; Tomas Gordon Campbell, minister delegate of the president in Southern Zelaya; Hazel Lau, representative of the National Assembly and member of the National Autonomy Commission.

I also greet the companeros who will participate in the youth's meeting to be held in Managua and our brother Msgr Sergio Mendez Arceo, who came for this symposium and the 19 July commemoration. He suffered a small accident yesterday or the day before yesterday, when he hurt his foot. [passage omitted]

Some -- sometimes due to their ignorance or our particular historical development or out of wickedness -- either believe or want to make believe that all our ethnic-social problems are of a recent nature, that they mysteriously emerged in the early morning hours of 19 July [1979]. In truth, the roots of the numerous problems of our Atlantic Coast are much older than Reagan, and that is saying a mouthful. They date back to the unfortunate days of colonialism, traitorous governments, and dictatorships that knew nothing about pity. The Sandinist people's revolution brought to that region a huge release of social forces, creative will, and demands that until then had remained [?divided]. It was inevitable that contradictions should emerge with this expansion of sociocultural vitality of the people of the coast. True -- and we have admitted this with the courage that accompanies honesty -- at some point we were not prepared to fully understand this rebirth, and the lurking historical enemy of the Nicaraguan people and of mankind tried to take advantage of the conflicts.

There are various contradictions in the Atlantic Coast, the most relevant of which are the peace projects and the war projects. [passage omitted] The solution to these contradictions is not algebraic or simply anthropological, it is essentially, and without the trace of a doubt, of a poltical nature.

Imperialism has military strategies to direct the criminal hordes, to estimate in their deadly computers the number of casualties in the event of an interventionist adventure. It has businessmen and certain priests to head the ideological task forces, as well as sociologists and anthropologists to help in the [?destabilization] of our social construction. Within the overall strategy of the U.S. counterproject, the Atlantic Coast has been strategically selected and is of great importance. We cannot but suspect that there are serious contingency plans connected with this important region.

The U.S. strategy stresses, among other aspects, the military counterrevolutionary activity, to which end Miskito military units are organized. The U.S. Congress has granted $5 million specifically for the counterrevolution in the Atlantic area. Also, a part of the millions granted to the FDN are destined for the Atlantic Coast, as well as sizable portion of the funds directly handled by the CIA for its covert operations. This is equivalent to attacking peace and the autonomy process with premeditation.

Even more relevant are the U.S. preparations in Honduran territory, especially in Honduras' Atlantic Coast, where they are creating a military body that is aimed at the heart of Nicaragua's Atlantic area. [passage omitted]

State and military intelligence sources have informed us that in recent weeks food and ammunition supplies for the counterrevolutionary forces have been increased and that these forces have consolidated their training camps. Photographs of these camps have even been released to the public and preparations that objectively improve the conditions for launching an aggression have been stepped up. it is foreseeable that in the next few weeks and months, provocations form their bases in Honduran territory will increase along the Coco River area, on the Honduran-Nicaraguan border, in order to create incidents that will make it possible for the Honduran Army and the U.S. troops to intervene. [passage omitted]

No one can predict the price that the Nicaraguan people would have to pay for a direct intervention of U.S. troops, and naturally, since we are not expecting this mounting threat to go away, we are preparing to respond with our people in arms. The invading soldiers will also pay a price that they are in no condition to foresee despite their historic experience, their sophisticated information, and their equations. No thermometer can measure the temperature of a people who have been called to action. No one can predict the price that the Latin American peoples would have to pay. It is probable that the criminal leaders are in no position to evaluate the Latin American people's indignant and violent reaction.

The U.S. leaders contemptuously view our people's formidable strength as well as the peoples' immense capacity to respond to those who dare mistreat them. The U.S. leaders seek to artificially change reality, which they observe through distorted mirrors. They confuse what is known as a system of values, they view men contemptuously and use them. So it was not surprise when all of a sudden, one morning, the U.S. Administration realized that the Miskitos were human beings. In a past that is still fresh in the national memory, both Miskitos and blacks were cheap labor for cutting lumber and engaging in gold mining. [passage omitted]

Yet, all of a sudden, the genocidal killer of American Indians, Buffalo Bill, in his White House office decorated with the scalps of redskins, discovered that the Miskitos are men, now the victims of Sandinist genocide. Since then, large resources have been allocated to organizing their army, a counterrevolutionary army. A red Christmas is planned, they are supplied with weapons and disinformation, and they are encouraged in an effort to divide our territory as well as the Nicaraguan people. [passage omitted]

Dear comrades, it is absolutely untrue that we persecute religion. However, the argument that Reagan has used throughout the world is true: Catholic Church leader, a bishop of an attacked country....[changes thought] We are a country which bleeds with tens of thousands of war victims, dead youths, and mutilated children, which defends itself from the political stubborness of an administration that rejects negotiations and only advocates the solution which would lead to a holocaust.

Under these circumstances, which have been particularly worsened by the approval of $100 million, the same person who traveled to Washington to demand and justify financial aid for continuing the war and annihilating our people, thus becoming an accomplice -- or, worse still, a co-author -- of the Reagan administration's policy, in a defiant act called the national and international news media not only to encourage the aggression but also to criticize the International Court of Justice's ruling which condemns Reagan's administration; this took place a few hours after President Daniel Ortega warned that the state of emergency would be intransigently [intransigentemente] enforced. This defiant act occurred a few hours after the government's warning had been issued; likewise, 34 Nicaraguans, including 12 women and 12 children, were murdered a few hours later.

However, I should not be the one to talk; you must learn about his words and actions. That person asserted: The invasion from one side is necessary, due to the invasion being carried out from another side. The chruch and the people are not responsible for this, only those who have provoked it. In other words, and even though it seems incredible, the Nicaraguan people are the agressors and the U.S Government is the victim. The same person added: I am surprised that a court of such an international character does not act at a universal level, because if we analyze things from the viewpoint of human rights and the people's rights -- not the parties' and the governments' rights -- then it would be worthwhile to analyze the aggression that we are suffering from western imperialism.

In other words, he misconstrues the character with which Nicaragua and the Nicaraguan people appeared before the highest international court of justice, disregarding the legal norms which guide its actions. He is uncomfortable with the Nicaraguan people's reactions to the aggression and states: We are disturbed by the pressure which is being exerted by the Sandinist Army nowadays; that is what disturbs us. He points out, with the utmost disrespect and defiance, that the counterrevolutionary forces armed by Reagan are simple citizens who cannot take it any longer. He is talking about the armed counterrevolutionaries. We agree about this last thing, these counterrevolutionaries cannot take it any longer.

What can we do under these difficult and complex circumstances, and in view of such a violation of the law and decency? What was the revolution's alternative? There are those who assert that this monsignor was provoking us, that he laid a trap, but the problem is that the nation's honor, the revolutionary government's authority, the respect for our law, and the Nicaraguan's sorrow were at stake. Many messages have been issued by certain episcopal conferences and even from certain people concerning this case. Their concern is understandable and a reply is being prepared. We are certainly the most concerned of all; nevertheless, the situation concerning Bishop Vega is much less worrisome than the crimes being perpetrated against our people. Most of our people are Christians, most of our people are revolutionaries; therefore, the violation of laws concerning a concept that may very well be described as treason to the homeland represents an insult and disrespect for those majorities.

We can disagree with a government's actions, but we are morally forbidden to join forces with another government to oust the first one, particularly if it is [16-second break in transmission] Congress and Reagan explicitly confess that his words were decisive for the approval of aid to the counterrevolution. One can even think that those words were decisive for the approval of the millions for death. In fact, whoever does not understand this is naive or is orchestrating an event in favor of Nicaragua's enemies. The life of a boy, the life of a Nicaraguan is much more... [corrects himself] incomparably more valuable than a right which has been temporarily suspended, as all the rights have been temporarily suspended, as long as the counterrevolutionary aggression continues.

There is no logical proportion between this event and the bloody drama in Nicaragua. In fact, there is yet to be a proportion between the magnitude of the imperialist crime, Reagan's active and persistent role, and the solidarity reply which the Nicaraguans have received up to this day. The unavoidable mistakes which have been committed do not justify mass murder against the Nicaraguan people or support of the U.S. President's role as international filibusterer. I believe no one can deny us the right and duty to defend ourselves; and we will continue to defend ourselves in whatever way we can, with the strength of the law and within the revolutionary legal framework, without hesitation, with absolute firmness, and with the strength of the law. [passage omitted]

GATT PANEL MEETS TO DISCUSS MANAGUA DEMANDS

PA160243 Managua Radio Sandino in Spanish 1200 GMT 15 Jul 86

[Text] Nicaragua has repeatedly demanded compensation for the damage suffered due to the economic embargo imposed by the Yankee government.

Foreign Trade Minister Alejandro Martinez Cuenca told this radio station that this morning the GATT panel, formed by Spain and Indonesia and presided over by Norway, met again to discuss the issue of the illegality of the commercial embargo imposed by the U.S. Administration in May 1985. In this forum, which meets in Geneva, Nicaragua is represented by Alicia Pereira, ambassador to the GATT, Martinez Cuenca said.

In this second meeting of GATT panel members, Nicaragua presented a third document, the decision of the International Court of Justice in The Hague, which stresses that Nicaragua does not pose a danger for U.S. security. In addition, Nicaragua presented a legal document pointing to the violation of the GATT general accord, according to which the United States will not impose economic sanctions on any country for political reasons.

Nicaragua, however, has claimed at the GATT forum that the economic measures taken by the United States are illegal. Nicaragua has asked that measures be taken to restore the balance between Nicaragua's rights and duties as per the GATT accords. Also, Nicaragua has asked the panel members -- representatives of Norwegian, Spanish, and Indonesian origin -- to take measures to restore the free rights and duties of the contracting parties that existed prior to the May 1985 embargo. Nicaragua also feels that an adequate compensation could be achieved by the GATT member-countries' granting perferential treatment to Nicaragua, which would allow the country to counteract the effects of the economic embargo imposed by the United States, which has resulted in direct lisses of more than $90 million for Nicaragua.

YOUTH DELEGATIONS ARRIVE FOR MANAGUA MEETING

PA111321 Managua International Service in Spanish 0000 GMT 11 Jul 86

[Text] Youth delegations from several countries have arrived in Nicaragua to participate in the Latin American and Caribbean students meeting, which will be held in this capital from 16 to 18 July.

Francisco Moya, vice president of the World Federation of Democratic Youth, said upon his arrival in Nicaragua, that the world's youth wish to express their solidarity with the Nicaraguan people in view of the increasing war escalation by the United States.

Moya arrived from Cuba together with eight representatives of Latin American youth, who will participate in this big event, under the slogan for peace and nonintervention in Central America, as part of the celebration of the seventh anniversary of the Sandinist revolution.

The purpose of this international meeting is to analyze the situation in Central America and its possible solution and also its effects on the economic and political reality of Latin America.

RAUL CASTRO RECEIVES KARL ROLOFF BRIGADE

FL141804 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Jul 86

[Text] In the Ministry of the Revolutionary Armed Forces Army General Raul Castro Ruz, second secretary of the party Central Committee and FAR minister, has received the group of Polish youths who belong to the Karl Roloff Voluntary Work Brigade. Raul spoke at length with the visiting young people and described the struggle of our people during the 19th century, during which we received internationalist aid from such combatants as the Dominican Maximo Gomez, the top general of the liberating army, and Major General Karl Roloff, who was born in Poland.

MALMIERCA, CSSR FOREIGN MINISTERS DISCUSS RELATIONS

FL142345 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Jul 86

[Text] CSSR Foreign Minister Bohuslav Chnoupek and Cuban Foreign Minister Isidoro Malmierca met today in Prague. During the meeting, the two foreign ministers discussed bilateral relations and the international situation.

ICAP PRESIDENT MEETS WITH PANAMANIAN OFFICIAL

FL152015 Havana Radio Reloj Network in Spanish 1755 GMT 15 Jul 86

[Text] Rene Rodriguez, president of the Cuban Institute of Friendship with the Peoples [ICAP] has held important conversations with political and cultural personalities during his visit to Panama.

Rodriguez met with Pedro Villa Martinez, president of the Foreign Relations Commission of the Legislative Assembly, who was presented with copies of two resolutions approved by the Cuban National Assembly. Rodriguez called on the Panamanian Legislative Assembly to act also on the two topics. One resoulution condemns $100 million in U.S. aid to Nicaraguan counterrevolutionary bands and the other rejects the South African policy of apartheid and stresses the heroic struggle of Nelson Mandela's people.

During the dialogue, the Cuban and Panamanian representatives reviewed the situation in Central America and the Contadora Group's efforts to achieve a political and nonmilitary solution to the problem in Central America.

ANPP OFFICIAL TO ATTEND MEETING IN BOLIVIA

FL152340 Havana Radio Rebelde Network in Spanish 2300 GMT 15 Jul 86

[Text] Georgina Barae, deputy [as heard] of the National Assembly of the Peoples Government, left today for Bolivia to participate in the meeting of the permanent commission of economic integration of the Latin American parliament which will be held during the next few days in La Paz.

RISQUET MEETS WITH GREEK SOCIALIST DELEGATION

FL160102 Havana Television Service in Spanish 0000 GMT 16 Jul 86

[Text] Jorge Risquet Valdes, member of the Politburo of the Communist Party of Cuba Central Committee, today met with a Panhellenic Socialist Movement [PASOK] delegation which is visiting Cuba.

The PASOK delegation is headed by Ioanna Khayiasopoulou, member of the PASOK Executive Bureau, and Roula Papasionopoulou, international affairs correspondent for the PASOK Latin American office.

The conversations were held in an atmosphere of warmth and mutual understanding. The PASOK delegation has been in Cuba since Sunday and will be visiting several areas of interest.

U.S. REINFORCING PRESENCE IN CENTRAL AMERICA

PA142323 Havana International Service in Spanish 2300 GMT 11 Jul 86

["Our America" commentary, read by Manolo Ortega]

[Text] The maneuvers to be carried out by an Air Force fleet in Costa Rica and the war exercises that approximately 100 members of the U.S. special forces will conduct in Honduras are a new demonstration of the reinforcement of the U.S. presence in Central America.

Costa Rican Public Security Minister Hernan Garron has justified these maneuvers under the pretext of controlling drug trafficking, but on various occasions other officials have said that there are more than 200 private airstrips in the country, many of which are used in arms trafficking for the Nicaraguan counterrevolution.

As is known, Costa Rican territory is constantly used in acts of provocation near the border with Nicaragua. Garron said that one of these incidents occurred in La Chorrera, a border town, on Sunday, when Somozist mercenaries exploded several bombs with a high destructive capacity.

In the past few years, the U.S. Army has conducted dozens of military maneuvers in Honduras. For these manuevers, the U.S. Army has deployed thousands of soldiers and much war materiel. In addition, 1,000 U.S. soldiers are stationed in Honduras, and they are responsible for the constant production of the equipment and weapons used in the military maneuvers. This enables them to carry out maneuvers, like the ones that will begin on Monday, at any time. As in the past, the Honduran soldiers will cooperate with the U.S. troops.

We feel that anyone who is closely following the developments in Central America can see that these maneuvers coincide, quite dangerously, with the huge aid the United States recently approved for the Nicaraguan rebels. This not only proves that the United States is reinforcing its aggressive positions in these two countries from where the attack and provocations against the Sandinist revolution are launched, but, as the Nicaraguan authorities have warned, the logistical and financial support for the former Somoza guardsmen opens the doors to a direct military intervention.

A long time ago the escalation lost it covert nature. It is also, slowly but surely, removing the veil of apparent neutrality with which they tried to cover the intentions of some governments, like the Costa Rican Government, which is quickly advancing along the same path as the Honduran Government, giving men and its territory to attack its neighbors.

In recent statements, Honduran President Jose Azcona said that the $100 million in aid to the counterrevolution is not enough to eliminate the Nicaraguan revolutionary government. The Honduran president has not realized that neither money nor maneuvers nor even a direct aggression can undermine the Nicaraguan people's determination to decide their own future.

CIA TO EXPERIENCE 'BRIGHT FUTURE' UNDER REAGAN

PA150359 Havana International Service in Spanish 2300 GMT 10 Jul 86

["Viewpoint" commentary]

[Text] The CIA is the most controversial and criticized U.S. state organization. Its innumerable violations of international coexistence rules constantly keep it in the public eye.

However, it is apparent that the CIA's bad reputation does not bother the White House's occupant, much less influence the U.S. strategy of becoming a world gendarme to impose its policy everywhere in the world.

The best evidence that Reagan haughtily overlooks criticism generated by his dear agency was exposed a few days ago by a NEW YORK TIMES reports stating that the CIA has increased the number of operations during the administration of the former Hollywood actor.

According to that U.S. newspaper, there were only a few more than 10 covert actions by that organization during the James Carter administration, while there have been approximately 40 so far during the Reagan administration; most of them have been large-scale actions.

In the legal aspect, the Yankee leader has obtained approval for his plans through the congress' two intelligence committees which exert pressure on legislators in various ways, especially on matters involving voting for CIA budgets.

Currently the agency handles more than $25 billion, which is three times as much as 10 years ago. In fact, one of the contradictions of the hackneyed U.S. democracy is evident during discussions of the issue of state allocations for the CIA. It happens that William Casey, who is chief of that intelligence organization, is the only government official whose budget proposals cannot be publicly discussed.

CIA funds are included in the huge Pentagon budget that is carefully evaluated by only 15 senators and 14 representatives from the control committees. That is, more than 500 congressmen do not know what is going on.

Numerous legislators are concerned that U.S. actions against unspecified objectives outside the United States might replace a foreign policy determined and controlled by the Congress.

We need not think much to find the reasons for the bad reputation of that espionage agency. We need only recall the mining of Nicaraguan harbors a few years ago and the training and supplies received by counterrevolutionary groups operating against Afghanistan, Angola, Cambodia, Nicaragua, and any other country refusing to follow a path dictated by Washington.

One of the CIA's most recent tasks was the preparation to carry out criminal bombings against densely populated regions in Libyan territory. Nobody doubts that this intelligence organization has a bright future within the Reagan administration, especially if we recall the euphoria with which the U.S. President honored William Casey in May. He said that Casey leads those who are waging a war in the shadow against communism.

'OUR AMERICA' ON SITUATION IN CHILE, U.S. STANCE

PA152310 Havana International Service in Spanish 2300 GMT 13 Jul 86

["Our America" commentary]

[Text] The news that the Chilean authorities have carried out an unprecedented action, burning alive Rodrigo Rojas, a youth who had recently returned to his country after 10 years in exile, has caused amazement and more hatred in local and international public opinion because those vandalistic acts inevitably make us remember the hideous crimes of Hitler's forces. However, according to the opinion of the putschist traitors, there is a reason for the intensification of the terror in Chile. This is because they want to foment hatred among the masses, to keep away the constant threat of being overthrown, in sum, to avoid the appearance of a people's progressive government after 13 years of military nightmare.

This is also corroborated by the fact that the military junta has not ceased -- after the succesful 48-hour general strike on 2 and 3 July -- the persecution and arrests of the top leaders who organized the strike. The Civic Assembly, made up of more than 18 political, labor, student, and religious organizations, showed during those days that the Chilean people are accelerating their unity and that the end of the Pinochet dictatorship is unquestionably close.

The recent arrest of 18 leaders, (?punished) by the regime because they called for the strike, shows us that the regime wants to leave the people without leaders capable of shaking the foundations of Moneda Palace. In Washington, the governoment of U.S. President Ronald Reagan understands the political chaos which General Augusto Pinochet is enduring and, thus, the idea of replacing him -- in the same way as happened in Haiti and in the Philippines -- is already in the overworked minds of the principle White House officials and at the U.S. Congress. In other words, the United States wants a Pinochetist regime without Pinochet to conceal its true purposes of controlling and exploiting this South American nation, and at the same time seeking to divide the unity of the Chilean masses to weaken its radicalization.

However, what the U.S. Government has not taken into account yet is that the septuagenarian Gen Pinochet is being stubborn and obstinate. Far from calming the storm, the dictator has stirred up discord with his recent remarks saying he will remain in power until 1997.

Recently THE WASHINGTON POST revealed the U.S. congressional concern precisely because of the absurd positions of the Chilean putschist leader. THE WASHINGTON POST said that the stubbornness of President Pinochet in denying the transition to democracy in Chile strengthens the U.S. congressional decision to adopt economic sanctions against this southern country.

The Chilean people have strengthened their awareness in the struggle against the dictatorship and will not allow the U.S. Government to maneuver at will to have the reins of power remain under its total domination. With the return to democracy in general free elections, the Chilean masses will have the last word.

BARBADOS

GOVERNMENT ANNOUNCES TAX CONCESSIONS

FL152358 Bridgetown CANA in English 2143 GMT 15 Jul 86

[By Reudon Eversley]

[Excerpt] Bridgetown, Barbados, July 15, CANA -- Sticking to its election campaign promises, the seven-week-old Democratic Labour Party (DLP) government today announced wide-ranging tax concessions in a move to revitalise the economy.

Finance Minister Dr Richie Haynes told Parliament that the defeated Barbados Labour Party (BLP) administration had overtaxed Barbadians and this was largely responsible for the current depressed state of the economy.

Tax reduction is therefore a necessary first step in any attempt to revitalise the economy, he said.

Centerpiece of the fiscal package, which will result in a gross revenue loss of 67.4 million dollars (one BDS dollars; 50 cents U.S.), was the abolition of income tax for all workers earning up to 15,000 dollars a year. The previous cut-off point was 10,000 dollars.

Haynes lowered income tax rates to allow more take-home pay by other workers and reduced the maximum corporation tax rate, applicable to companies, from 45 to 35 per cent. These measures were backdated to April 1, start of the current fiscal year.

Plans were also announced for the introduction of a graduated system of corporation tax ranging from 15 to 35 per cent for the next fiscal year.

Haynes said the tax measures would lead to increased spending and would boost government revenue. As a result, it was forecast that the net revenue loss arising from the package would be 53 million dollars, he said. [passage omitted]

Haynes said the proposals outlined today were intended to strengthen the economy, create job opportunities through increased purchasing power to individuals and businesses, and raising living standards.

This government will do all it can to expedite the creation of jobs in new and productive areas. The public can help in this regard by buying locally produced products, he said.

I especially wish to exhort business in the distributive sector to strive to promote the sale of locally produced goods, to place early and adequate orders for such goods, and to assume the role of stockist for goods produced by small manufacturers, he added.

Political analysts had linked the DLP's landslide election win, by a margin of 24 seats to three, to the attractive tax proposal which opposition spokesman have said could lead to the collapse of the economy.

To allow the concessions, Haynes said government had decided to trim 14 million dollars off the 1986 current expenditure budget of 700 million dollars, and to restrict capital expenditure to 150 million dollars. The estimates had projected the figure at 188.5 million dollars.

There will be no difficulty in financing governments operations, he said.

HAITI

FORMER POLICE CHIEF DESYR SENTENCED TO DEATH

AB160928 Paris AFP in French 0912 GMT 16 Jul 86

[Text] Port-au-Prince, 16 Jul (AFP) -- Luc Desyr, former head of the political police of Francois Duvalier and of his son, Jean-Claude, was sentenced to death at dawn today by the Port-au-Prince Court of Assize.

Desyr was found guilty of illegal arrests, sequestrations, physical tortures, and the assassinations of an anti-Duvalier militant, Jean-Jacques Dessalines Ambroise, and his wife, Lucette Lafontat Ambroise, who died in August 1965 in the Haitian capital.

JAMAICA

SEAGA, MANLEY ISSUE STATEMENT URGING NONVIOLENCE

FL152220 Bridgetown CANA in English 2112 GMT 15 Jul 86

[By Paget de Freitas]

[Text] Kingston, Jamaica, July 15, CANA -- Prime Minister Edward Seaga and opposition political leader Michael Manley have pledged to improve communication between their parties to prevent situations similar to yesterday's near clash between government and opposition supporters in the old Jamaican capital of Spanish Town where Manley was on a campaign tour.

At a meeting last night, Seaga, who leads the right-of-centre Jamaica Labour Party (JLP) and Manley, of the democratic Socialist Peoples National Party [PNP] also resolved to continue to work for the success of the peace accord they agreed to late last month in the run-up to municipal elections July 29.

The party leaders issued a joint statement with their pledges today, following a hurried meeting last night aimed at putting their accord back on track. It was being weakened by charges and counter charges by both parties about violence against their supporters, with the most serious incident being the Manley campaign tour in Spanish Town, west of Kingston, where shots were fired.

But according to the joint statement, yesterday's tensions were the result of poor communication between the parties.

According to the statement, the PNP had announced a public meeting for last night in Spanish Town just outside a JLP constituency office, which Manley was to attend.

Manley, it said, did not know the precise location of the meeting, but agreed to a change of venue after PNP officials, on complaint by the JLP, had suggested the move. The meeting site had initially been selected by the local PNP organisation.

The statement claimed too that JLP chairman and Spanish Town parliamentary representative, who had accused the party of instigating violence, did not know that Manley ordered the change of venue. It was in this charged atmosphere that a PNP motorcade ran into a crop of JLP supporters and the security force fired warning shots in an effort to prevent any breach of the peace, the statement said.

It is clear from the discussions that the incident which occured was a result of lack of communication, the joint statement said. Early public statements had been issued in absence of all the facts.

Added the statement: Among other things, the meeting agreed on improving lines of communication and consultations between the two parties, which should go a far way in helping to avoid similar incidents in the future and will enhance the spirit and intent of the accord.

Both leaders resolved to continue to work for the success of the peace accord which had so far achieved a high level of overall success.

Manley and Seaga had held a series of secret meetings on the conduct of politics in Jamica, culminating in their June 27 agreement on a code of conduct for the coming elections.

But sides agreed to stressing to their supporters the need to avoid violence and campaigning based on issues rather than character assassination. They also agreed not to deface walls and building with graffiti and posters.

The parties pledged to continue work to develop the code which is to be at some point enshrined in legislation.

The agreement was spurred by memories of the bitter 1980 election campaign when 800 persons died, the bulk of them by the gun.

CENTRAL BANK REPORTS ECONOMIC IMPROVEMENT

FL152150 Bridgetown CANA in English 1757 GMT 15 Jul 86

[Text] Kingston, Jamaica, July 15, CANA -- Jamaica's Central Bank Governor, Dr Headley Brown has reported a significant improvement in Jamaica's balance of payments accounts in the first five months of this year signalling that the economy was beginning to stabilize after a period of harsh adjustment.

He, however, did not give the overall balance of payments position at the end of the period.

Brown told business leaders that between January and May, Jamaica was showing a current account surplus of U.S. 7.1 million dollars compared with the U.S. 50.6 million dollar deficit over the same months last year.

The country's trade balance had also improved from the minus U.S. 241.9 million dollars to minus U.S. 132.8 million.

Additionally, the Central Bank governor said, the services account was running at a U.S. 72.1 million dollar surplus between January and May, a U.S. 39.2 million dollar improvement over the same months in 1985.

It should be stressed that the process of structural transformation has been reflected in an improvement in the services account, reflecting positive tourism trends as well as free zone-related exports, Brown said. It is for this reason that a focus on the current account is a more meaningful indicator than the true balance ..., he added.

However, net capital movement was down in the review period by U.S. 126.7 million dollars to U.S. 109.7 million dollars.

But despite this, the central bank governor said there was a reserve build-up by U.S. 29.1 million dollars suggesting an increased reliance of domestically generated foreign resources to finance economic activity.

Another positive feature, according to Brown, was the lessening of cash transactions in financing imports. He said that in 1985-86 U.S. 281 million dollars in cash or 41 per cent of total non-oil and non-bauxite imports of U.S. 691.8 million dollars, was utilised. But in 1986-87 cash payments for this category of imports are expected to fall to 37 per cent or U.S. 308 million dollars out of a total projected expenditure of U.S. 826.5 million dollars.

This reduced use of cash to finance imports is consequent on the revitalised approach to export credit arrangements, he said.

Institutional framework, such as the Export-Import (Ex-im) Bank has been established, he added.